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CANADIAN
COMMERCIAL CORPORATION

FIRST ANNUAL REPORT
TO THE
MINISTER OF TRADE AND COMMERCE

MAY 1, 1946 TO MARCH 31, 1947





CANADIAN COMMERCIAL CORPORATION

(ESTABLISHED BY CANADIAN COMMERCIAL CORPORATION ACT,
STATUTES OF CANADA 1946, 10 GEORGE VI CHAP. 40)

BOARD OF DIRECTORS

M. W. MACKENZIE, C.M.G., PRESIDENT
Deputy Minister of Trade and Commerce

W. D. LOW, O.B.E.

*Managing Director, Canadian
Commercial Corporation*

W. G. MILLS, C.M.G.

Deputy Minister of National Defence

H. O. MORAN, M.B.E.

*Economic Division, Department of
External Affairs*

V. C. NAUMAN

*Assistant Deputy Minister of
National Revenue (Excise)*

L. P. SAINT-AMOUR

*Assistant Deputy Governor,
Bank of Canada*

V. W. SCULLY, C.M.G.

*Deputy Minister of
Reconstruction and Supply*

C. STEIN, K.C.

Assistant Deputy Minister of Justice

K. W. TAYLOR, C.B.E.

Economic Advisor, Department of Finance

J. E. VAN BUSKIRK

*President, Commodity Prices
Stabilization Corporation*

Messrs. J. E. Van Buskirk, and V. C. Nauman and H. O. Moran were appointed by Order-in-Council No. P.C. 599 for the period March 1, 1947, to September 30, 1947, in the stead of Messrs. H. B. McKinnon, David Sim and S. D. Pierce. P.C. No. 599 provides for the reappointment of Messrs. H. B. McKinnon, David Sim and S. D. Pierce as of October 1, 1947.

OFFICERS

W. D. LOW, O.B.E.

Managing Director

J. D. MCCARTHY, M.B.E.

Secretary and Legal Advisor

G. F. WEVING, C.M.A.

Comptroller

W. J. ATKINSON, O.B.E.

General Purchasing Agent

HEAD OFFICE

NO. 2 TEMPORARY BLDG., 70 LYON STREET
OTTAWA, ONTARIO

CANADIAN COMMERCIAL CORPORATION

July 8, 1947

The Honourable J. A. MacKinnon,
Minister of Trade and Commerce,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the first Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Accounts, as audited by the Auditor General of Canada covering the period of May 1, 1946, to March 31, 1947.

I have the honour to be,

Sir,

Yours faithfully,

(Signed) M. W. MACKENZIE,

President.

ANNUAL REPORT OF THE CANADIAN COMMERCIAL CORPORATION

(Established by Statutes of Canada, 10 Geo. VI, Chapt. 40)

The Canadian Commercial Corporation was established as of May 1, 1946, by Act of Parliament, for the following purposes:—

- (a) To assist in the development of trade between Canada and other nations, and
- (b) To assist persons in Canada:—
 - (1) To obtain goods and commodities from outside Canada, and
 - (2) To dispose of goods and commodities that are available for export from Canada.

By the terms of the Act the Corporation took over the whole of the undertaking of the Canadian Export Board (established by Order in Council P. C. 70 of 31st January, 1944), which agency was at that time carrying out procurement functions in Canada on behalf of foreign governments, United Nations Relief and Rehabilitation Administration, and the Canadian Mutual Aid Board. As a result, the Corporation continued without interruption all procurement action being taken on 30th April, 1946, by the Canadian Export Board, and has continued to render similar services to a number of foreign governments, particularly those to whom Canada has extended loans. In addition, the Corporation has been able to give assistance to Canadians in the procurement of goods from other countries where, by reason of regulations in those countries, it was necessary that transactions be handled in whole or in part through a government agency.

By Order in Council P. C. 314, of 5th February, 1947, the power, duty and function vested in the Minister of Reconstruction and Supply to purchase or produce munitions of war or supplies, as well as to construct or carry out projects required by the Department of National Defence, was transferred to the Minister of Trade and Commerce. In connection with this transfer the Minister of Trade and Commerce was authorized to make use of the services of the officers and servants of the Canadian Commercial Corporation. Under this authority the officers and employees of the Canadian Commercial Corporation have, since February 1st effected all procurement for the Department of National Defence, acting as agents for the Minister of Trade and Commerce.

The Corporation, therefore, has three separate but related functions. It acts as procurement agency in Canada for foreign governments and UNRRA; it is available to assist Canadian importers; and, in effect, it acts as agent for the Minister of Trade and Commerce in procurement for the Department of National Defence.

The foreign countries for whom the Corporation acted, includes the following:— China, United Kingdom, France, Czechoslovakia, Belgium, The Netherlands, Finland, Greece, Iceland, South Africa. In the case of most of the governments for which the Corporation has acted as procurement agent, the monies placed at the Corporation's disposal were made available under agreements with the Government of Canada, specifying that such monies were for the purchase only of Canadian goods and services. It became, therefore, a duty of the Corporation, acting in collaboration with officers of the Department of Trade and Commerce, to determine whether or not the stores required or the services to be rendered were essentially of a Canadian character. Furthermore, the Corporation has in all cases to determine, by consultation with those government officials responsible for civilian supply, that the stores required were available for export, having regard to current domestic needs. In a number of cases it has been possible for the Corporation to draw to the attention of foreign governments and UNRRÄ information obtained from Canadian suppliers with respect to goods available for export.

Where the Corporation acts in connection with procurement of imports from other countries it does so only on request from a Canadian importer. While the Corporation may have to act as principal in making such purchases, it does not enter into such commitments until corresponding sales to Canadian importers have been arranged.

The purchasing procedure employed with respect to the requirements of the Department of National Defence is essentially the same as that maintained when this work was conducted by the Department of Reconstruction and Supply. Requisitions prepared by the Department of National Defence are addressed to the Minister of Trade and Commerce and lodged with the Corporation. These are regarded as the Corporation's authority to proceed to the calling of tenders or such other determination of availability, price and terms of purchase as may be appropriate. All purchases in excess of \$15,000 are submitted for approval of the Governor General in Council. Inspection of the goods to be delivered is arranged in accordance with the instructions contained in the Requisitions; and, as in the case of other transactions, the Corporation assumes responsibility for following up production and for seeing that deliveries are made in a satisfactory manner. As was the case previously, the Department of National Defence may, with the approval of the Minister of Trade and Commerce, purchase urgently needed stores, locally. With the decrease in activity following the war, the scope of such local purchase authorities has been substantially reduced. The Corporation does not make payment to suppliers for goods delivered for the use of the Department of National Defence; all such accounts are rendered directly to the Department of National Defence for payment.

In the case of purchases for principals other than the Department of National Defence the Corporation's services include the calling forward of the goods from suppliers, transportation arrangements, including inland and ocean shipping, as well as temporary warehousing in certain instances. At March 31st, 1947 the Corporation maintained, on behalf of UNRRA, warehouses located at Montreal, P.Q., Saint John, N.B., and Halifax, N.S., utilizing in all a total of approximately 100,000 square feet of storage space.

It is the intention that the Corporation should be self-supporting. Accordingly, appropriate charges have been made to UNRRA, foreign governments, the Department of National Defence and others using the services of the Corporation. In the 11 months' period ended March 31, 1947, these have aggregated \$376,577.74. Against this revenue the Corporation incurred expenses of \$316,860.72, resulting in an excess of revenue over expenditure for the period of \$59,717.02.

The staff of the Corporation has been drawn almost entirely from the staff of the Canadian Export Board and officials employed in the Department of Reconstruction and Supply, who were, as at February 1, 1947, carrying out procurement functions for the Department of National Defence. By consolidating the procurement activities being carried out by the Department of Reconstruction and Supply for the Department of National Defence with those handled by the Canadian Commercial Corporation for UNRRA and foreign governments it was possible to effect a saving of approximately 30 percent of the aggregate staff employed in the two separate organizations. At March 31, 1947, the consolidated staff of the Corporation totalled 333. As trade with various foreign countries returns to private hands, and as there is a reduction in foreign government purchasing, it is expected that the staff of the Corporation will be reduced.

The diversity of the Corporation's buying may be illustrated by reference to the following examples of the business carried on during the period in review on behalf of foreign governments and UNRRA. By March 31, 1947, the Corporation had purchased radium and radium accessories for UNRRA (for hospital and medical use in Poland, Yugoslavia, Czechoslovakia, China and the Ukraine) valued at approximately \$1,000,000; automotive spare parts for UNRRA to the value of \$4,000,000; and steel bridging material for China valued at \$4,000,000. Some 800 head of purebred Ayrshire, Holstein and Jersey cattle and Yorkshire hogs valued at \$265,000 were exported to China; 23,700 horses were purchased, approximately 5,700 valued at \$853,000 were exported to France and 18,000 purchased on behalf of UNRRA, were exported for breeding purposes to various European points. These, valued at \$1,200,000 were obtained from both Western and Eastern Canadian sources and were innoculated, fed and transported to their distant destinations with a loss of only approximately 1/30 of 1%. The Corporation purchased seed oats and barley to the value of

\$200,000; 12,000 one-day old chicks (carried by truck to Buffalo, N.Y., express to Newport News, Virginia, and by air to Poland) and a quantity of Rinderpest Vaccine, urgently required to combat cattle sickness then reaching epidemic proportions in Europe. The vaccine was packed in dry ice and transported by air to Greece. Various chemical fertilizers, valued at approximately \$10,000,000, were purchased and exported for use both in Europe and in the Orient.

Foodstuffs produced in Canada and purchased for foreign account included 13,500,000 lbs. fresh frozen cod fillets, 350 tons salmon, 80 tons pilchards or sardines, 15,000 tons canned chicken haddie, herring, mackerel, flaked fish, pollock and shad, 5,000 tons canned horsemeat and 10,000 tons of meat paste, meat lunch or blood sausage — all of which was valued at a total of approximately \$15,000,000.

New ship construction was contracted for by the Corporation on behalf of France, involving expenditures in a total amount of approximately \$62,000,000. Non-ferrous metals were purchased for UNRRA at a value of \$18,000,000. Agricultural machinery required by France and by UNRRA was purchased at a value of \$1,900,000. The Corporation purchased surplus assets from War Assets Corporation to the total value of approximately \$60,000,000. These purchases included tugs, cargo vessels, reconditioned clothing, steel rails, military type vehicles, machine tools, and industrial machinery and equipment. The orders by the Corporation with Polymer Corporation Limited covered that Corporation's entire export production of synthetic rubber to the end of the fiscal year. The value of these purchases was approximately \$4,200,000.

The total business carried on by the Corporation during the period covered by this report consisted of (1) contracts entered into by the Corporation from May 1, 1946, to March 31, 1947, inclusive; (2) commitments made by the Canadian Export Board prior to May 1, 1946, and outstanding as of May 1, 1946; and (3) commitments made by the Department of Reconstruction and Supply on behalf of National Defence prior to February 1, 1947, and outstanding as of that date. The estimated value as of May 1, 1946, of outstanding deliveries on orders placed by the Canadian Export Board was \$111,364,042.91; and the estimated value as of February 1, 1947, of outstanding deliveries of orders placed by the Department of Reconstruction and Supply was \$6,215,404.36 — total \$117,579,447.27.

From May 1, 1946, to March 31, 1947, the Corporation placed orders on behalf of foreign governments and UNRRA to the total value of \$152,961,934, and from February 1 to March 31, 1947, on behalf of the Department of National Defence, to the total value of \$10,934,878 — total \$163,896,812.

With the assumption of the Department of National Defence purchasing, the Corporation took over District offices formerly maintained by the Department of Reconstruction and Supply and located at Victoria,

B.C.; Vancouver, B.C.; Calgary, Alberta; Winnipeg, Manitoba; Toronto, Ontario; Ottawa, Ontario; Montreal, P.Q.; Quebec, P.Q.; Halifax, N.S., and Washington, D.C.; and the Corporation assumed and continued to make use of the London, England, office of the Department of Reconstruction and Supply in the procurement of military stores from the British Ministry of Supply and other sources in Great Britain.

The total value of requisitions in the hands of the Corporation as of March 31, 1947, on which purchase action had not been completed, was \$35,069,363.04. Estimated value of outstanding deliveries as of March 31, 1947, (on orders placed other than for the Department of National Defence) \$148,989,007.02.

For convenience there is appended to this Report the full text of the Canadian Commercial Corporation Act and of P.C. 314 of February 5, 1947.

CANADIAN COMMERCE
(INCORPORATED UNDER THE CANADIAN ACTS)

Balance Sheet

GENERAL

ASSETS

Cash on Hand and in Banks.....	\$2,544,958.77
Accounts Receivable.....	2,643,623.26
Inventories, as determined and certified by the Management, at cost, (which is not in excess of market)....	435,410.53
Employees' Funds, invested in Dominion of Canada Bonds (par value \$14,800.00), at cost less premium amortized.....	15,501.53

5,639,494.09

AGENCY

Cash	
In banks.....	\$ 6,726,544.07
On deposit with the Receiver General of Canada.....	42,650,445.60
	<u>\$49,376,989.67</u>
Advances to Suppliers.....	942,089.07
Accounts and Claims Receivable.....	1,238,114.32
Debit Balances of Foreign Governments.....	5,143,600.04
Inventories, as determined and certified by the Management.....	1,648,360.85
Deferred Charges, inventory storage expenses.....	123,794.23
	<u>58,472,948.18</u>

Approved on behalf of the Board:

M. W. MACKENZIE,
President

W. D. Low,
Managing Director

IAL CORPORATION

MMERCIAL CORPORATION ACT)

March 31, 1947

COUNT

LIABILITIES AND CAPITAL

LIABILITIES AND RESERVE

Accounts Payable and Accrued Charges.....	\$ 2,668,279.63	
Receiver General of Canada, unemployment insurance, etc.....	714.15	
Employees' Savings Plans		
Pay deductions (with interest) repayable on separation.....	\$18,635.30	
Bond purchases.....	1,878.12	
	<u>20,513.42</u>	
Deferred Revenue, surcharge in respect of purchase orders placed for others.....	249,848.26	
Reserve in respect of Inventory Storage and Adjustment, and Claims Receivable.....	140,421.61	
	<u>\$3,079,777.07</u>	

CAPITAL AND SURPLUS

Government of Canada:		
Advance for working capital, provided under Section 8 of The Canadian Commercial Corporation Act.....	2,500,000.00	
Surplus: Excess of Income over Expenditure, for the period May 1, 1946 to March 31, 1947, per Schedule "A".....	59,717.02	
	<u>2,559,717.02</u>	
	<u>5,639,494.09</u>	

COUNT

LIABILITIES AND RESERVE

Accounts Payable to Suppliers.....	\$16,381,925.82	
Reserve for Claims Receivable.....	115,272.93	
	<u>\$16,497,198.75</u>	

ADVANCES FROM PRINCIPALS

U.N.R.R.A.....	38,513,719.74	
Government of Canada, Foreign Governments and others.....	3,462,029.69	
	<u>41,975,749.43</u>	

58,472,948.18

I have examined the accounts of Canadian Commercial Corporation for the period May 1, 1946 to March 31, 1947, and have obtained all the information and explanations I have required. In my opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs as at March 31, 1947, according to the best of my information and the explanations given to me and as shown by the books of the Corporation.

WATSON SELLAR,
Auditor General.

CANADIAN COMMERCIAL CORPORATION

Income and Expenditure, for the period
May 1, 1946 to March 31, 1947

INCOME:

Surcharge earned on purchases, and miscellaneous revenue.....	\$296,577.74	
Reimbursement for purchasing services on behalf of the Department of National Defence.....	80,000.00	
		<u>\$376,577.74</u>

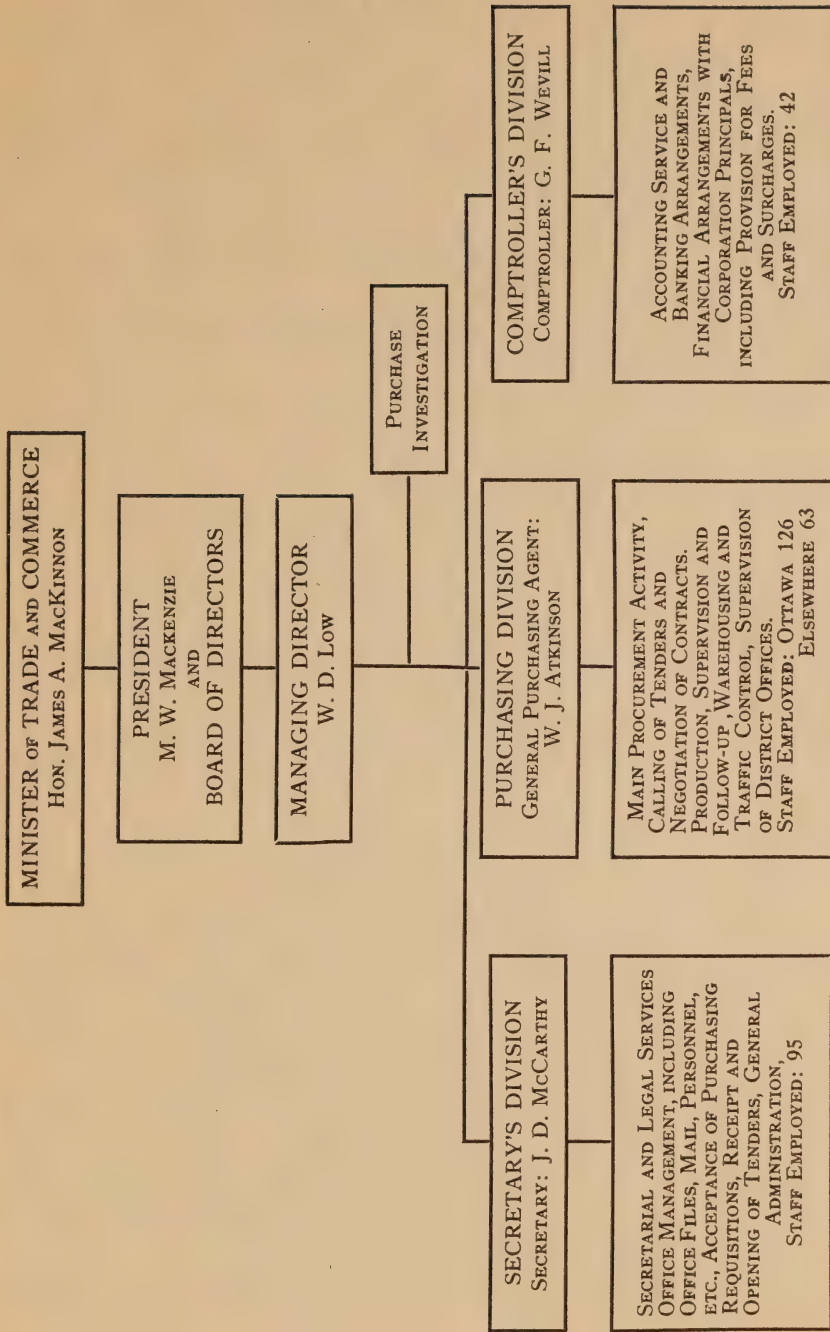
EXPENDITURE:

Salaries		
Executive officers.....	\$ 19,208.25	
Others.....	250,671.96	
		<u>269,880.21</u>
Travelling expenses.....	4,729.16	
Telephone, telegraph and postage.....	18,529.38	
Printing, stationery and office supplies..	15,113.24	
Furniture and equipment.....	1,975.01	
Other expenses.....	6,633.72	
		<u>316,860.72</u>

Excess of Income over

Expenditure transferred to Surplus.....	<u><u>59,717.02</u></u>
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CANADIAN COMMERCIAL CORPORATION



10 GEORGE VI.

CHAP. 40.

An Act to establish The Canadian Commercial Corporation.

[Assented to 31st August, 1946.]

HIS MAJESTY, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

- Short title. 1. This Act may be cited as *The Canadian Commercial Corporation Act*.
- Definitions. 2. In this Act, unless the context otherwise required,
"Board." (a) "Board" means the President and the directors of the Corporation;
"by-law." (b) "by-law" means a by-law made under section eleven of this Act;
"civil service." (c) "civil service" has the same meaning as in the *Civil Service Act* but does not include the persons employed under this Act;
R.S., c. 22.
"Corporation." (d) "Corporation" means the Canadian Commercial Corporation established by section three of this Act;
"Minister." (e) "Minister" means the Minister of Trade and Commerce; and
"President." (f) "President" means the President of the Corporation.
- Corporation established.
Constitution. 3. (1) There is hereby established, for the purposes set forth in section four of this Act, a corporation to be known as the Canadian Commercial Corporation consisting of a President appointed by the Governor in Council and holding office during pleasure and not more than nine or less than five directors all of whom shall be appointed by the Governor in Council and hold office during pleasure.
- First President. (2) The first President of the Corporation is Maxwell Weir Mackenzie, Deputy Minister, Department of Trade and Commerce.
- President's remuneration. (3) The President's remuneration, if he is not a member of the public service, shall be fixed by the Governor in Council.
- First directors. (4) The first directors of the Corporation are Hector Brown McKinnon, President Commodity Prices Stabiliza-

tion Corporation, David Sim, Deputy Minister (Customs and Excise), Department of National Revenue, Vincent William Scully, Deputy Minister Department of Reconstruction and Supply, Donovan Bartley Finn, Deputy Minister Department of Fisheries, Leo Paul Saint-Amour Assistant Deputy Governor Bank of Canada, and William Davidson Low, Assistant to General Purchasing Agent, Canadian National Railways.

(5) The Corporation is for all its purposes an agent of His Majesty and its powers may be exercised only as an agent of His Majesty.

Agency of
His Majesty.

4. (1) The Corporation is established for the following purposes:—

Purposes.

- (a) to assist in the development of trade between Canada and other nations, and
- (b) to assist persons in Canada
 - (i) to obtain goods and commodities from outside Canada; and
 - (ii) to dispose of goods and commodities that are available for export from Canada.

(2) The Corporation shall comply with any general or special direction given by the Governor in Council or the Minister with reference to carrying out its purposes.

Directions.

5. (1) The Corporation may do such things as it deems expedient for, or conducive to, the attainment of the purposes set forth in section four of this Act; and, for greater certainty, but not so as to restrict the generality of the foregoing, the Corporation may carry on the business of:—

Powers.

- (a) importing goods or commodities into Canada, and
- (b) exporting goods or commodities from Canada, either as principal or as agent, in such manner and to such extent as it deems advisable to achieve the said purposes.

(2) The generality of subsection one of this section is not restricted by any provision of this Act other than section four thereof.

Generality
not restricted.

6. (1) The Corporation may, notwithstanding the *Civil Service Act* or any other statute or law, employ such officers or servants as it deems necessary to carry out this Act and may determine their conditions of employment and their remuneration which shall be paid by the Corporation.

Employment
of officers and
servants,
R.S., c. 22.
Conditions,
remunera-
tion.

(2) The Corporation has, under the Minister, the control and supervision of the officers and servants employed under this Act.

Control and
supervision.

Head office,
branches.

7. (1) The Corporation shall establish its head office in Ottawa and may establish such branch offices, either inside or outside Canada, as it deems necessary to carry out this Act.

Office accom-
modation
supplies,
equipment.

(2) The Corporation may provide office accommodation, supplies and equipment for the Board and persons employed under this Act.

Grants and
advances to
Corporation.

8. (1) The Minister of Finance shall, on the request of the Minister of Trade and Commerce, from time to time deposit to the credit of the Corporation in the Bank of Canada or in a chartered bank designated by the Minister:—

(a) an amount or amounts not exceeding in the aggregate ten millions dollars to be paid out of unappropriated moneys in the Consolidated Revenue Fund at any time while this Act is in force; and

(b) any other advances or grants to the Corporation that are otherwise authorized to be made by Parliament from the Consolidated Revenue Fund.

Corporation
to retain
moneys
received.

(2) The Corporation shall retain, for the purposes of this Act, all moneys received by it in the course of its business.

Administra-
tion of
moneys.

(3) All moneys that are placed to its credit under this section and all moneys received by it in the course of its business shall be administered by the Corporation exclusively in furtherance of the purposes for which it is constituted.

Accounting.

(4) The Corporation shall establish and maintain an accounting system satisfactory to the Minister and shall, wherever required by him, render detailed accounts of its receipts and expenditures for such period or to such day as he designates, and all books or records of accounts, bank books and papers of the Corporation shall at all times be open to the inspection of the Minister or such person as he may designate.

Audit.

(5) The accounts of the Corporation shall be audited by the Auditor General and his report shall be included in the annual report of the Corporation.

Excess
moneys re-
payable to
Receiver
General
when
directed.

(6) Notwithstanding the other provisions of this section the Corporation shall, if the Minister so directs, pay to the Receiver General of Canada any part of the moneys administered by it that the Minister considers to be in excess of the amount required for the purposes of this Act.

Capacity as
a corporate
entity.

9. The Corporation may, on behalf of His Majesty, contract in its corporate name without specific reference to His Majesty.

10. The Corporation may sue and be sued in respect of any right or obligation acquired or incurred by it on behalf of His Majesty as if the right or obligation had been acquired or incurred on its own behalf.

Sue and be sued.

11. The Corporation may, subject to the approval of the Governor in Council, make such by-laws as it may deem necessary to carry out this Act.

By-laws.

12. (1) The Corporation shall act by resolution of the Board which shall meet from time to time as required by by-law or on reasonable notice given by the President or any two directors at such convenient place as may be specified in the notice.

Corporation to act by resolution of the Board.

(2) The President, or, in his absence, such person as may be appointed under the by-laws or by the directors, shall be chairman of the Board.

Chairman of Board.

(3) Five members of the Board are a quorum if not less than three of them are directors who are not executive officers of the Corporation.

Quorum.

13. (1) The Corporation shall, as soon as possible after the thirty-first day of March in each year, and in any event within three months thereof, submit to the Minister an annual report of its affairs and operations during the twelve-month period ending on the thirty-first day of March containing its financial statements and such information as is required to be furnished to shareholders by a company incorporated under *The Companies Act, 1934*, and such other information as the Minister may prescribe and the Minister shall forthwith lay the said report before Parliament, if Parliament is then in session, or within fifteen days of the commencement of the next session of Parliament.

Annual report.

1934, c. 33.

(2) The Corporation shall, in addition to making an annual report under subsection one of this section, make to the Minister such other reports of its affairs and operations or of any particular transaction or part of its business as the Minister may require.

Other reports.

14. (1) The *Civil Service Superannuation Act* is not applicable to officers and servants employed under this Act but the Corporation may, with the approval of the Governor in Council, establish and support a pension fund or make other pension or superannuation arrangements for the benefit of officers and servants employed under this Act and their dependents.

R.S., c. 24.

Pension fund.

Contributor
to Civil Service
Superannua-
tion Act.

(2) Notwithstanding subsection one of this section or any other statute or law, a person who, immediately prior to his employment under this Act, was a contributor under the *Civil Service Superannuation Act* continues while employed under this Act to be a contributor under the said *Superannuation Act*; and, for the purposes of the said *Superannuation Act*, his service under this Act shall be counted as service in the civil service and he, his widow, children or other dependents, if any, or his legal representatives, may be granted the respective allowances or gratuities provided by the said *Superannuation Act*.

Former civil
servant
retired under
this Act.

Superannua-
tion rights
preserved.

(3) Where a person who was a civil servant immediately before his employment under this Act is retired from employment under this Act, he may, in accordance with regulations made under the *Civil Service Act*, be assigned to a position in the civil service of the class from which he was so retired or for which he is qualified, or, in the alternative, be granted the same allowance or gratuity under the *Civil Service Superannuation Act* as he might have been granted if he were retired under like circumstances from a position in the civil service.

Former civil
servant prior
to employ-
ment under
this Act re-
tains rights
under Civil
Service Act.

(4) A person employed under this Act, who immediately prior to his employment, held a position in the civil service or was an "employee" within the meaning of the *Civil Service Act*, retains and is eligible to receive all the benefits, except salary as a civil servant, that he would have been eligible to receive had he remained under that Act.

Government
Compensation
Act to apply.

R.S., c. 30.

(5) The *Government Employees Compensation Act* applies to officers and servants employed under this Act and for the purposes of the said *Government Employees Compensation Act* such officers and servants shall be deemed to be employees in the service of His Majesty.

Acquisition
of property
of the Cana-
dian Export
Board.

15. (1) The Corporation shall, on the day this Act comes into force, take possession of all property in the custody, possession or control of the Canadian Export Board and such property shall, for the purposes of legal proceedings, be deemed to have been acquired by the Corporation on behalf of His Majesty.

Rights and
obligations
acquired.

(2) From the day this Act comes into force, all rights and obligations acquired or incurred by the Canadian Export Board shall, for the purposes of legal proceedings, be deemed to have been acquired or incurred by the Corporation on behalf of His Majesty.

16. The Canadian Commercial Corporation Order (P.C. 1218) made by the Governor in Council on the twenty-ninth day of March, nineteen hundred and forty-six under *The National Emergency Transitional Powers Act, 1945*, is revoked and anything at any time done by or pursuant to that order shall be deemed to have been done at that time by or pursuant to this Act.

Order in
Council
revoked.

1945,
(2nd sess.)
c. 25.

17. (1) This Act shall expire sixty days after the commencement of the first session of Parliament commencing in the year one thousand nine hundred and forty-nine.

(2) Section nineteen of the *Interpretation Act* shall apply upon the expiry of this Act as if this Act had then been repealed.

R.S., c. 1.

PRIVY COUNCIL



OTTAWA

P.C. 314

AT GOVERNMENT HOUSE AT OTTAWA

WEDNESDAY, THE 5TH DAY OF FEBRUARY, 1947

PRESENT:

HIS EXCELLENCY

THE GOVERNOR GENERAL IN COUNCIL:

WHEREAS by virtue of the provisions of The Department of Reconstruction and Supply Act, 1945, and The Department of Munitions and Supply Act, the power, duty and function to buy or otherwise acquire, manufacture or otherwise produce munitions of war or supplies and construct or carry out projects required by the Department of National Defence is vested in the Minister of Reconstruction and Supply;

AND WHEREAS it is expedient and in the public interest that such power, duty and function should be transferred to the Minister of Trade and Commerce on February 1, 1947;

THEREFORE HIS Excellency the Governor General in Council, on the recommendation of the Right Honourable W. L. Mackenzie King, the Prime Minister, and under and by virtue of the provisions of the Public Service Re-arrangement and Transfer of Duties Act, is pleased to order and doth hereby order that the power, duty and function vested in the Minister of Reconstruction and Supply under The Department of Reconstruction and Supply Act, 1945, and The Department of Munitions and Supply Act, to buy or otherwise acquire, manufacture or otherwise produce munitions of war or supplies and construct or carry out projects required by the Department of National Defence be transferred to the Minister of Trade and Commerce on the first day of February, 1947.

HIS Excellency in Council is further pleased, hereby, to authorize the Minister of Trade and Commerce, for the purpose of carrying out such power, duty and function, to make use of the services of the officers and servants of the Canadian Commercial Corporation and to authorize such of the officers of the corporation as he may select to sign documents on his behalf.

(Sgd.) A. D. P. HEENEY,
Clerk of the Privy Council.

The Honourable
the Minister of Trade and Commerce.

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**CANADIAN
COMMERCIAL CORPORATION**

**SECOND ANNUAL REPORT
TO THE
MINISTER OF TRADE AND COMMERCE**

— 1947/48 —
APRIL 1, 1947 TO MARCH 31, 1948



CANADIAN COMMERCIAL CORPORATION

Established by Canadian Commercial Corporation Act
Statutes of Canada 1946, 10 George VI Chap. 40
as amended by Statutes of Canada 1947, 11 George VI Chap. 51.

PRESIDENT

M. W. MACKENZIE,
Deputy Minister of Trade and Commerce

DIRECTORS

W. D. LOW,
*Director of Purchasing,
Department of Trade and Commerce.*

W. G. MILLS,
Deputy Minister of National Defence.

L. P. SAINT-AMOUR,
*Assistant Deputy Governor,
Bank of Canada.*

DAVID SIM,
*Deputy Minister of National Revenue,
(Customs and Excise)*

K. W. TAYLOR,
Assistant Deputy Minister of Finance.

H. B. MCKINNON,
*Chairman, Tariff Board,
Department of Finance.*

H. O. MORAN,
*Chief, Economic Division,
Department of External Affairs.*

V. W. SCULLY,
*Deputy Minister of National Revenue,
(Taxation).*

CHARLES STEIN, K.C.,
Assistant Deputy Minister of Justice.

OFFICERS

W. D. LOW,
Managing Director.

J. D. MCCARTHY,
Secretary and Legal Adviser.

G. F. WEVILL, C. A.
Comptroller.

W. J. ATKINSON,
General Purchasing Agent.

HEAD OFFICE

No. 2 Temporary Building, 70 Lyon Street
Ottawa, Ontario.

DISTRICT OFFICES

London, England
Halifax, N. S.
Montreal, P.Q.
Toronto, Ont.
Calgary, Alta.

Washington, D.C.
Quebec, P. Q.
Ottawa, Ont.
Winnipeg, Man.
Victoria, B. C.

CANADIAN COMMERCIAL CORPORATION

June 23, 1948.

The Right Honourable C. D. Howe,
Minister of Trade and Commerce,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Accounts, as audited by the Auditor General of Canada, covering the year ending March 31, 1948.

I have the honour to be,

Sir,

Yours faithfully,

(Signed) M. W. MACKENZIE,

President.

ANNUAL REPORT OF THE CANADIAN COMMERCIAL CORPORATION

(Established by Statutes of Canada, 10 Geo. VI, Chapt. 40)

During the year ended 31st March, 1948, the Canadian Commercial Corporation has continued to discharge the functions assigned to it by the legislation under which the Corporation was established. In brief, these functions are to act as a procurement agency in Canada for foreign governments and governmental agencies, and to assist Canadian importers or exporters in matters of procurement of goods from outside Canada or disposal of goods available for export. In addition, acting for the Minister of Trade and Commerce, the Corporation conducts all procurement for the Department of National Defence.

There has been no important change in the policies under which the Corporation is operated from those which were outlined in some detail in the first Annual Report of the Corporation, which covered the year ended 31st March, 1947. The Corporation stands ready to assist importers or exporters in Canada, as well as foreign governments and governmental agencies who, for one reason or another, find it necessary that transactions be handled, in whole or in part, through a government agency. There has, however, been a substantial change in the activities of the Corporation, resulting from the tapering off of foreign government purchasing operations in Canada; which, however, has been offset by an increase in purchasing activities on behalf of the Department of National Defence.

During the year the Corporation continued to conduct such purchasing activities as were requested by foreign governments and agencies including United Nations Relief and Rehabilitation Administration. By March 31st, 1948, the Corporation had completed the initial purchasing steps with respect of all U.N.R.R.A.'s Canadian procurement programme; the total value of contracts awarded by the Corporation on behalf of U.N.R.R.A. during the year amounting to \$21,483,470.00. Other governments and agencies for whom the Corporation acted included — Argentina, Australia, Belgium, Chile, China, France, Czechoslovakia, Germany (Joint Export/Import Agency), Greece, Japan, Netherlands, The United Kingdom, The United Nations International Children's Emergency Fund and the United States of America on whose behalf the Corporation placed contracts in the aggregate to a total value of \$55,795,419.00.

The facilities established in the Corporation for purchasing, shipping and accounting on behalf of foreign governments and agencies were used during the period under review by certain Canadian government departments. The services of the Corporation as a purchasing agent were restricted however, to those departments or agencies of the Government of Canada whose activities involved Canadian exports or imports, since the Corporation's powers are limited, with the exception of those relating to the Department of National Defence, to matters of foreign trade. The Corporation acted on behalf of the Departments of External Affairs and Trade and Commerce, principally in connection with Canada's programme of post-U.N.R.R.A. relief, and the International Trade Fair, on behalf of Canadian Arsenals Limited and Commodity Prices Stabilization Corporation, and contracts placed on behalf of these departments or agencies totalled \$11,470,099.00.

The completion of the initial purchasing steps with respect to the aforementioned volume of business aggregating \$88,748,-988.00 left the Corporation nevertheless with responsibilities which would not be fully discharged for some months to come, since production and delivery follow-up, shipment and payment were still required at the end of the fiscal year with respect to goods to the value of \$41,587,000.00.

During the year the Corporation, acting at the request and in the name of the Minister of Trade and Commerce, continued to fulfil the Minister's obligations as exclusive purchasing agent for the Department of National Defence. The requirements of that Department although greatly reduced as compared with the war years were very substantially in excess of those during the immediate pre-war period. Better liason was accomplished at various points of contact between the Department of National Defence and the Corporation; and improvements in procedure and practice were established with a view to effecting the greatest possible co-operation in the planning and carrying out of procurement programmes.

From April 1, 1947, to March 31, 1948, more than 45,000 contracts were placed by the Corporation for the purchase of stores for the Department of National Defence. These stores had a total estimated value of \$82,223,078.00, which, together with the business placed on behalf of others as above mentioned, brought the total value of new business placed by the Corporation during the year to \$170,972,066.00.

On March 31, 1948, 335 persons were employed in the Corporation as compared with 333 at March 31, 1947 (16 of whom were employed on a salary recoverable basis). The salaries of 17 of those employed at March 31, 1948, were directly recoverable either from U.N.R.R.A. or from the United Kingdom Government at whose request and on whose behalf they were employed.

CANADIAN COM
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BALANCE SHE

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ASSETS

Cash on Hand and in Banks.....	\$ 2,234,717.79
Accounts Receivable.....	2,194,399.77
Employees' Funds invested in Dominion of Canada	
Bonds (par value \$85,450.) at cost less portion	
of premium amortized.....	89,230.18

4,518,347.74

AGEN

Cash:

In Bank.....	\$5,991,078.48	
Held by Receiver General of Canada.....	2,940,221.88	
		8,931,300.36
Advances to Suppliers.....		290,965.12
Claims Receivable.....		12,262.17
Debit Balances of Foreign Governments.....		5,916,446.14

15,150,973.79

Approved on behalf of the Board:

(Sgd.) M. W. MACKENZIE,
President.

(Sgd.) W. D. LOW,
Managing Director.

AL CORPORATION

COMMERCIAL CORPORATION ACT)

MARCH 31, 1948

ACCOUNT

LIABILITIES AND CAPITAL

LIABILITIES

Accounts Payable and Accrued Charges.....	\$ 1,315,021.76
Receiver General of Canada — employees' income tax, etc.....	5,622.56
Employees' Savings Plans:	
Pay deductions (with interest) repayable on separation.....	\$ 91,078.90
Bond purchases.....	10,913.07
	<hr/>
	101,991.97
Deferred Revenue—surcharge on purchase orders placed for others, etc.....	91,691.29
	<hr/>
	\$ 1,514,327.58

CAPITAL AND SURPLUS

Government of Canada:	
Advance for working capital provided under Section 8 of the Canadian Commercial Corporation Act.....	2,500,000.00
Surplus:	
Balance as at March 31, 1947.....	59,717.02
Add — Reserve for inventory storage and adjustment, no longer required.....	186,923.86
	<hr/>
	246,640.88
Excess of income over expenses for year ended March 31, 1948, per Schedule "A".....	257,379.28
	<hr/>
	504,020.16
	<hr/>
	3,004,020.16
	<hr/>
	4,518,347.74
	<hr/>
	<hr/>

ACCOUNT

LIABILITIES AND RESERVE

Accounts Payable to Suppliers.....	10,001,115.35
Reserve for Claims Receivable.....	12,262.17
	<hr/>
	10,013,377.52
	<hr/>
ADVANCES FROM PRINCIPALS	
UNRRA	2,009,453.98
Foreign Governments and Others.....	3,128,142.29
	<hr/>
	5,137,596.27
	<hr/>
	15,150,973.79
	<hr/>
	<hr/>

I have examined the accounts of The Canadian Commercial Corporation for the year ended March 31, 1948, and have obtained all the information and explanations I have required. In my opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, as at March 31, 1948, according to the best of my information and the explanations given to me and as shown by the books of the Corporation.

WATSON SELLAR,
Auditor General.

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expenses for the year ended March 31, 1948

INCOME

Surcharge earned on purchases, and miscellaneous revenue	\$ 587,819.57	
For defence purchasing services recoverable from Department of Trade and Commerce— Vote 638, 1947-48.....	\$548,000.00	
Further amount required	7,779.23	
	<u>555,779.23</u>	
		<u>\$1,143,598.80</u>

EXPENSES

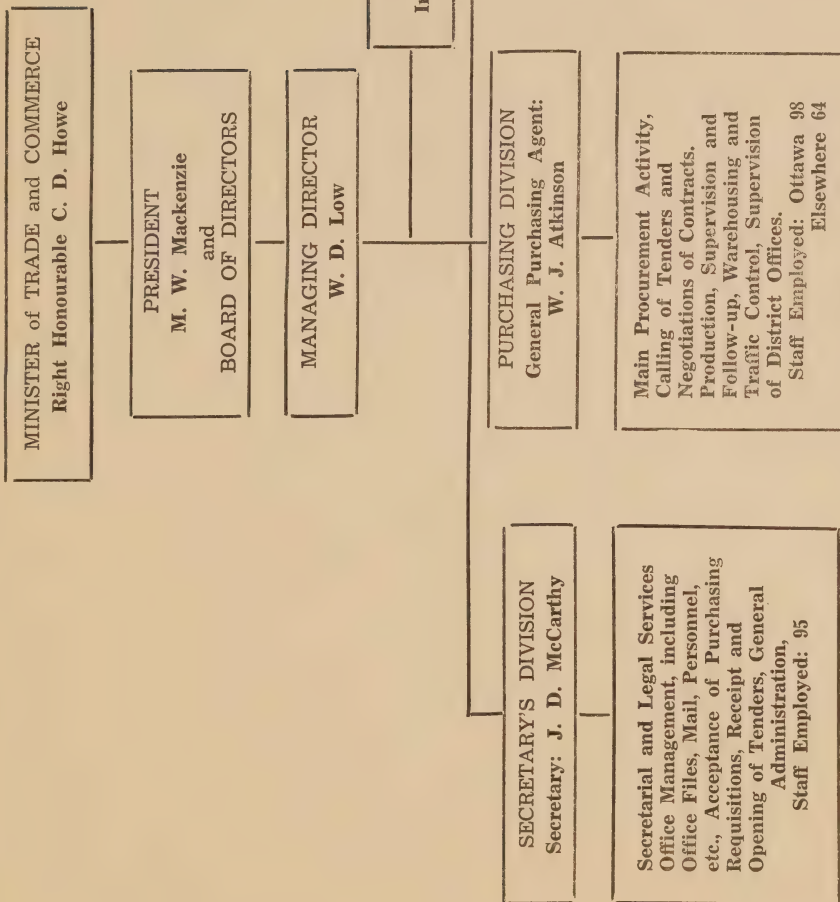
Salaries:

Executive officers	28,649.94	
Others	657,180.95	
	<u>685,830.89</u>	
Rent, light and heat	52,014.51	
Travelling expense	9,378.11	
Telephone, telegraph and postage	58,660.74	
Printing, stationery and office supplies	37,671.01	
Furniture and equipment	4,636.54	
Cost of power line fittings declared surplus.....	19,440.00	
Other expenses	18,587.72	
	<u>886,219.52</u>	
		<u>257,379.28</u>

Excess of Income over Expenses transferred to Surplus.....

257,379.28

CANADIAN COMMERCIAL CORPORATION



TOTAL STAFF: 318

Government
Publications

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Government
Publications

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CANADIAN COMMERCIAL CORPORATION

THIRD ANNUAL REPORT
TO THE
MINISTER OF TRADE AND COMMERCE

1948/49
APRIL 1, 1948 TO MARCH 31, 1949



CANADIAN COMMERCIAL CORPORATION

Established by Canadian Commercial Corporation Act
Statutes of Canada 1946, 10 George VI Chap. 40
as amended by Statutes of Canada 1947, 11 George VI Chap. 51
and Statutes of Canada 1949, 13 George VI Chap. 2

PRESIDENT

M. W. MACKENZIE,
Deputy Minister of Trade and Commerce

DIRECTORS

C. M. DRURY,
Deputy Minister of National Defence.

W. D. LOW,
*Director of Purchasing,
Department of Trade and Commerce.*

H. B. McKINNON,
*Chairman, Tariff Board,
Department of Finance.*

H. O. MORAN,
*Assistant Under-Secretary of State
for External Affairs.*

S. D. PIERCE,
*Associate Deputy Minister,
Department of Trade and Commerce.*

L. P. SAINT-AMOUR,
*Assistant Deputy Governor,
Bank of Canada.*

CHARLES STEIN, K.C.,
Under-Secretary of State.

K. W. TAYLOR,
Assistant Deputy Minister of Finance.

Messrs. W. G. Mills, V. W. Scully and David Sim tendered their resignations as Directors during the fiscal year 1948-49. Mr. C. M. Drury, by Order-in-Council P.C. 1713 of April 7, 1949, and Mr. S. D. Pierce, by Order-in-Council P.C. 922 of March 1, 1949, were appointed Directors in their stead.

OFFICERS

W. D. LOW,
Managing Director.

J. D. McCARTHY,
Secretary and Legal Adviser.

G. F. WEVILL, C. A.
Comptroller.

W. J. ATKINSON,
General Purchasing Agent.

HEAD OFFICE

No. 2 Temporary Building, 70 Lyon Street,
Ottawa, Ontario.

DISTRICT OFFICES

Victoria, B.C.

Vancouver, B.C.

Calgary, Alberta.

Edmonton, Alberta.

Regina, Saskatchewan.

Winnipeg, Manitoba.

London, Ontario.

Toronto, Ontario.

Ottawa, Ontario.

Montreal, Quebec.

Quebec, Quebec.

Halifax, Nova Scotia.

St. John's, Newfoundland.

London, England.

Washington, D.C.

July 8, 1949.

The Right Honourable C. D. Howe,
Minister of Trade and Commerce,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Accounts, as audited by the Auditor General of Canada, covering the year ending March 31, 1949.

Yours faithfully,

(Signed) M. W. MACKENZIE,
President.

ANNUAL REPORT OF THE CANADIAN COMMERCIAL CORPORATION

During the year the Canadian Commercial Corporation continued to negotiate and contract for the construction of defence projects at the request and in the name of the Minister of Trade and Commerce. During the year ended March 31, 1949, contracts for the construction of 1,624 houses required by the Department of National Defence were negotiated and awarded to the aggregate value of \$16,550,600.00. The completion of this programme will involve the placing of additional contracts involving some \$3,600,000.00.

Purchases, manufactures, service and construction arranged by the Corporation in the interest of National Defense during the twelve months ending March 31, 1949 amounted in all to \$145,033,051.00 and involved the placing of upwards of 65,308 contracts. This work was carried out at a total cost of \$773,811.07 or .53% of the total contract value.

With certain exceptions, chiefly where research or the development of technical equipment was required, or where, for reasons of security, general publication of details was not possible or where, because of limited industrial capacity allocation of work became necessary, the Corporation adhered strictly to its established policy of awarding contracts on a competitive basis. Care was taken to see that in every case all interested persons were given an opportunity to tender; and the selection of the contractor was determined by the competitive attractiveness of the tenders submitted and the known capacity of the tenderer to fulfill his contractual obligations.

Purchases were made in Canada by foreign governments and agencies through the Corporation to the total value of \$35,740,670.00 and these purchases included metals, industrial, agricultural and automotive equipment, chemicals, communications and electrical equipment, ships, ammunition, fertilizer, foodstuffs, petroleum products, aircraft, medical stores and clothing and textiles. The Corporation's services were retained in this connection by the Governments of China, Czechoslovakia, United States, Netherlands East Indies, Netherlands, Portugal, Pakistan, India, Mozambique, United Kingdom, Bi-Zonal Germany, France and South Africa, as well as by the International Refugee Organization, The United Nations International Children's Emergency Fund and the United Nations Relief for Palestine Refugees.

In the Fall of 1948 the Corporation, on the direction of the Minister of Trade and Commerce, purchased some 15,000,000 pounds of butter from Denmark, Australia and New Zealand. This butter valued at \$11,000,000.00 was sold by the Corporation at authorized ceiling prices to Canadian packers and creameries, the trading loss sustained by the Corporation being reimbursed to it by Commodity Prices Stabilization Corporation. The Corporation was also directed by the Minister of Trade and Commerce to purchase Tin to the value of \$2,788,494.00 to be stored against possible future requirements. Other contracts placed by the Corporation during the year in connection with foreign trade amounted to \$1,717,745.00, bringing the total business conducted by the Corporation during the period under review to the sum of \$201,657,727.00.

During the period under review, the Corporation established additional District Purchasing Offices at Vancouver, B.C. and London, Ontario, and as of March 31 arrangements had been completed for the opening of additional District Purchasing Offices at Regina, Sask. and St. John's, Nfld. At the fiscal year end 361 persons were employed in the Corporation as compared with 335 at March 31, 1948.

CANADIAN COMM
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BALANCE SHEET

GENERA

ASSETS

Cash on Hand and in Bank	\$ 3,793,684.67
Investments in Dominion of Canada bonds (par value \$104,750.) at cost—less portion of premium amortized	108,500.10
Accounts Receivable	975,220.66

4,877,405.43

AGENCY

Cash in Bank	\$10,894,446.74
Advances to Suppliers	5,518,782.90
Accounts Receivable	3,626.00
Inventories, at cost	3,370,131.30
Receivable from Foreign Governments, for indebtedness in excess of funds held—per contra	1,053,314.77

20,840,301.71

Approved on behalf of the Board
(Sgd.) SYDNEY D. PIERCE
for President.
(Sgd.) W. D. LOW
Managing Director.

CANADIAN COMMERCIAL CORPORATION
(INCORPORATED UNDER THE CANADIAN COMMERCIAL CORPORATION ACT)
Balance Sheet as at
MARCH 31, 1949
ASSETS

LIABILITIES AND CAPITAL			
LIABILITIES			
Accounts Payable and Accrued Charges...		\$ 499,347.95	
Employees' Funds—Staff Savings Plans:			
Pay deductions (with interest)			
repayable on Separation, etc.....		119,353.23	
Deferred Revenue—surcharge on purchase			
orders placed for others, etc.....		12,810.63	
			\$ 631,511.81
CAPITAL AND SURPLUS			
Government of Canada:			
Advances for working capital, provided			
under Section 8 of The Canadian			
Commercial Corporation Act.....		3,500,000.00	
SURPLUS:			
Balance as at March 31, 1948.....	\$ 504,020.16		
Add—Prior years' adjustments.....	7,521.36		
		511,541.52	
Excess of income over expenses for year			
ended March 31, 1949, per Schedule I	234,352.10		
		745,893.62	
			4,245,893.62
			4,877,405.43

ASSETS			
LIABILITIES			
Accounts Payable to Suppliers:			
Covered by funds held.....	\$ 504,294.57		
Not so covered—per contra.....	1,053,314.77		
		\$1,557,609.34	
Contractors' Security Deposits.....		61,808.00	
			\$1,619,417.34
NET OBLIGATION TO PRINCIPALS			
Representing Advances from agencies of			
various governments (including Canada)			
and certain international bodies.....		19,220,884.37	
			20,840,301.71

I have examined the accounts of the Canadian Commercial Corporation for the year ended March 31, 1949, and have obtained all the information and explanations I have required. In my opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, as at March 31, 1949, according to the best of my information and the explanations given to me and as shown by the books of the Corporation.

(Sgd.) WATSON SELLAR
Auditor General.

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expenses for the year ended March 31, 1949

INCOME

From defence purchasing services on behalf of the Government of Canada (Votes 461 and 889, 1948-49).....	\$773,811.07	
From Agencies of various governments (including Canada) and international agencies.....	367,913.82	\$1,141,724.89
Other Income		72,045.72
		<u>\$1,213,770.61</u>

EXPENSES

Salaries:

Executive officers.....	30,249.96	
Others.....	732,787.05	763,037.01
Rent, light and heat.....		42,941.63
Telephone, telegraph and postage.....		77,676.02
Printing, stationery and office supplies.....		38,286.62
Advertising for tenders.....		21,273.69
Travelling expenses.....		14,311.93
Unemployment insurance.....		4,976.21
Rental of office equipment.....		4,153.40
Furniture and equipment.....		3,705.62
Other expenses.....		9,056.38
		<u>979,418.51</u>
Excess of income over expenses transferred to Surplus.....		<u>234,352.10</u>

CANADIAN COMMERCIAL CORPORATION

MINISTER of TRADE and COMMERCE
Right Honourable C. D. Howe

PRESIDENT
M. W. Mackenzie
and
BOARD OF DIRECTORS

MANAGING DIRECTOR
W. D. Low

Purchase
Investigation

SECRETARY'S DIVISION
Secretary: J. D. McCarthy

Secretarial and Legal Services
Office Management, including
Organization, Office Files,
Mail, Personnel, etc.,
Acceptance of Purchasing
Requisitions, Receipt and
Opening of Tenders, General
Administration.
Staff Employed: 113

PURCHASING DIVISION
General Purchasing Agent:
W. J. Atkinson

Main Procurement Activity,
Calling of Tenders and
Negotiations of Contracts.
Production, Supervision and
Follow-up, Warehousing and
Traffic Control, Supervision
of District Offices.
Staff Employed: Ottawa 122
Elsewhere 80

COMPTROLLER'S DIVISION
Comptroller: G. F. Wevill

Accounting Service and
Banking Arrangements,
Financial Arrangements with
Corporation Principals,
Including Provision for Fees
and Surcharges.
Staff Employed: 36

TOTAL STAFF: 351



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Government
Publications

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CANADIAN COMMERCIAL CORPORATION

FOURTH ANNUAL REPORT TO THE MINISTER OF TRADE AND COMMERCE

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APRIL 1, 1949 TO MARCH 31, 1950



CANADIAN COMMERCIAL CORPORATION

Established by Canadian Commercial Corporation Act
Statutes of Canada 1946, 10 George VI Chap. 40
as amended by Statutes of Canada 1947, 11 George VI Chap. 51
and Statutes of Canada 1949, 13 George VI Chap. 2

PRESIDENT

M. W. MACKENZIE,
Deputy Minister of Trade and Commerce

DIRECTORS

C. M. DRURY,
Deputy Minister of National Defence.

W. D. LOW,
*Director of Purchasing,
Department of Trade and Commerce.*

H. B. McKINNON,
*Chairman Tariff Board,
Department of Finance.*

H. O. MORAN,
*Assistant Under-Secretary of State
for External Affairs.*

S. D. PIERCE,
*Associate Deputy Minister,
Department of Trade and Commerce.*

L. P. SAINT-AMOUR,
*Assistant Deputy Governor,
Bank of Canada.*

CHARLES STEIN, K.C.,
Under-Secretary of State

K. W. TAYLOR,
Assistant Deputy Minister of Finance.

OFFICERS

W. D. LOW,
Managing Director.

J. D. McCARTHY,
Secretary and Legal Adviser.

G. F. WEVILL, C.A.
Comptroller

W. J. ATKINSON,
General Purchasing Agent

HEAD OFFICE

No. 2 Temporary Building, 70 Lyon Street,
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DISTRICT OFFICES

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Edmonton, Alberta.
Regina, Saskatchewan.
Winnipeg, Manitoba.
London, Ontario.
Washington, D.C.

Toronto, Ontario.
Ottawa, Ontario.
Montreal, Quebec.
Quebec, Quebec.
Saint John, N.B.
Halifax, Nova Scotia.
St. John's, Newfoundland.
London, England.

CANADIAN COMMERCIAL CORPORATION

Ottawa, Canada

June 21st, 1950.

The Right Honourable C. D. Howe,
Minister of Trade and Commerce
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Accounts, as audited by the Auditor General of Canada, covering the year ending March 31, 1950.

Yours faithfully,

(Signed) M. W. MACKENZIE,
President.

ANNUAL REPORT OF THE CANADIAN COMMERCIAL CORPORATION

On the basis of the dollar value of the contracts negotiated and placed by the Canadian Commercial Corporation during the fiscal year ended March 31, 1950, approximately 85% of the Corporation's work was performed in satisfying the requirements of the Department of National Defence. Having regard to the clerical work involved an even larger percentage of the Corporation's activity was devoted to the interest of National Defence. Contracts covering the acquisition of supplies, construction of projects and ships and the performance of various services connected with National Defence had a gross value of \$221,538,679.59 and numbered some 84,600 contracts in all, issued either from Ottawa or from the District Offices of the Corporation in Canada and abroad. The cost involved in negotiating and awarding these contracts and supervising production and delivery was \$999,783.52 or approximately .45% of the value of the goods and services obtained.

During the period under review the Corporation continued to revise, improve and extend the lists maintained of business organizations in Canada in a position to fulfil satisfactorily contracts placed on behalf of the Department of National Defence. And in line with Corporation policy all firms believed to be in a position to supply were listed and given opportunities to tender whenever requirements arose for products of their manufacture or for which they were regarded as reliable sources of supply. This entailed the issue of some hundreds of thousands of Invitations to Tender and, insofar as construction work was concerned, publication in the Canada Gazette and public press of 1424 Notices to Tenderers. 1571 of the defence contracts had estimated values in excess of \$15,000.00 and required authority of the Governor-in-Council.

Considerable progress was made during the year towards more economical purchasing by a concerted effort to negotiate firm price or cost-reduction-incentive contracts. The Corporation endeavoured to avoid, as far as possible, terms providing for escalation (material and labour cost variation) and other clauses or terms approaching cost plus situations. A small

proportion of the contracts awarded, however, contained of necessity, provisions calculated to protect the supplier against price or cost variations of a sort which the contractor felt he could not be expected to anticipate or provide for.

Advantages were derived through the extension into the planning level, during the year, of the close relationship which has always existed between the Corporation and the Department of National Defence. An illustration of this was the establishment of a Clothing and Textile Requirements Committee with representation from the Office of the Deputy Minister of National Defence, the three Armed Services, Inspection Services, the Directorate of Inter-Service Development and the Corporation. The work carried on by this Committee during the year was calculated to effect more economical and efficient production and improvements in delivery schedules, through utilization of slack industrial periods. It is expected, too, that long range planning carried out by this Committee will result in substantial further economies.

Toward the end of the fiscal year the Corporation assumed active administration of responsibilities devolving upon the Minister of Trade and Commerce in respect of the security of classified information emanating from the Department of National Defence. Qualified officers of the Corporation developed, in collaboration with appropriate authorities, procedures and policies for the maintenance of industrial security in connection with classified projects.

The Corporation continued to act for such foreign governments and government agencies as requested its services. Purchases were made by the Corporation in an aggregate amount of \$28,822,048.56 on behalf of—

Belgian Congo	Mozambique
Belgium	Netherlands
China (Nationalist)	Nicaragua
Czechoslovakia	Pakistan
France	Portugal
Dominican Republic	Siam
India	South Africa
Iran	United Kingdom
	United States
The United Nations	International Children's
Emergency Fund	
International Refugee Organization	

The facilities of the Corporation were employed in connection with various other Government activities; and contracts placed by the Corporation for these purposes had a total gross value of \$2,372,089.42, including preparations for the 1950 International Trade Fair, the stockpiling of strategic materials, and certain other matters having a bearing upon foreign trade. The total gross value of all contracts placed by the Corporation during the year was \$252,732,817.57.

At March 31st arrangements had been made for the establishment of a District Office of the Corporation at Saint John, N.B., which would give the Corporation a total of 16 District Offices, including those in London, England, and Washington, D.C. At the year end 411 persons were employed in the Corporation as compared with 361 at March 31st, 1949.

CANADIAN COMM
(INCORPORATED UNDER THE CAN

BALANCE SHEET A

G E N E R A L

ASSETS

Cash on Hand and in Bank.....	\$ 4,120,695.27
Investments—Government of Canada bonds (par value \$139,700), at cost—less portion of premium amortized	144,105.96
Advances to Suppliers	82,869.46
Accounts Receivable	419,075.77

4,766,746.46

A G E N C Y

Cash in Bank	\$ 8,769,042.25
Advances to Suppliers	11,333,514.35
Accounts Receivable	735,612.40
Inventories, at cost	3,577,338.50
	24,415,507.50

NOTE:—Contingent Liability: Claims pending \$98,895.07

Approved on behalf of the Board

(Sgd.) M. W. MACKENZIE
President.

(Sgd.) W. D. LOW
Managing Director.

AL CORPORATION

OMMERCIAL CORPORATION ACT)

Government
Publications

MARCH 31, 1950

ACCOUNT

LIABILITIES AND CAPITAL

LIABILITIES

Accounts Payable and Accrued Charges	\$ 305,653.94
Employees' Funds—Staff Savings Plans:	
Pay deductions (with interest) repayable on	
separation, etc.	159,303.22
Deferred Revenue—surcharge on purchase	
orders placed for others, etc.	2,056.71
	<hr/>
	\$ 467,013.87

CAPITAL AND SURPLUS

Government of Canada:	
Advances for working capital, provided under	
Section 8 of The Canadian Commercial Corporation Act	3,500,000.00

SURPLUS:

Balance as at March 31, 1949.....	\$ 745,893.62
Add—Prior years' adjustments.....	1,648.76
	<hr/>
	747,542.38
Excess of income over expenses for year	
ended March 31, 1950, per Schedule L.....	52,190.21
	<hr/>
	799,732.59
	<hr/>
	4,299,732.59
	<hr/>
	4,766,746.46
	<hr/>
	<hr/>

ACCOUNT

LIABILITIES

Accounts Payable to Suppliers.....	\$ 1,731,843.33
Contractors' Security Deposits.....	24,330.11
	<hr/>
	\$ 1,756,173.44

NET OBLIGATION TO PRINCIPALS

Representing advances from agencies of	
various governments (including Canada)	
and certain international bodies.....	22,659,334.06
	<hr/>
	24,415,507.50
	<hr/>
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I have examined the accounts of the Canadian Commercial Corporation for the year ended March 31, 1950, and have obtained all the information and explanations I have required. In my opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, as at March 31, 1950, according to the best of my information and the explanations given to me and as shown by the books of the Corporation.

(Sgd.) WATSON SELLAR

Auditor General.

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expenses for the year ended March 31, 1950

INCOME

From defence purchasing services on behalf of the government of Canada.....	\$ 999,783.52*	
From purchasing for agencies of various governments (including Canada) and international agencies.....	166,306.60	
		\$ 1,166,090.12
Other Income		47,745.98
		<u>\$ 1,213,836.10</u>

EXPENSES

Salaries:

Executive officers.....	30,700.00	
Others	883,003.98	
		<u>913,703.98</u>
Rent, light and heat.....		41,295.34
Telephone, telegraph and postage.....		88,552.60
Printing, stationery and office supplies.....		43,471.23
Advertising for tenders.....		29,510.53
Travel expenses		20,262.68
Unemployment Insurance.....		6,418.95
Interest on employees' retirement fund deposits		4,988.79
Maintenance of office equipment		4,481.18
Furniture and equipment		4,206.23
Other expenses		<u>4,754.38</u>
		<u>1,161,645.89</u>
Excess of income over expenses, transferred to Surplus.....		<u>52,190.21</u>

NOTE: *Financed from moneys provided, or to be provided from
votes of the Department of Trade and Commerce.

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CANADIAN
COMMERCIAL CORPORATION

FIFTH ANNUAL REPORT
TO THE
MINISTER OF TRADE AND COMMERCE

APRIL 1, 1950 TO MARCH 31, 1951

CANADIAN COMMERCIAL CORPORATION

Established by Canadian Commercial Corporation Act
Statutes of Canada 1946, 10 George VI Chap. 40
as amended by Statutes of Canada 1947, 11 George VI Chap. 51
and Statutes of Canada 1949, 13 George VI Chap. 2

PRESIDENT

M. W. MACKENZIE,
Deputy Minister of Trade and Commerce

DIRECTORS

C. M. DRURY,
Deputy Minister of National Defence.

W. D. LOW,
*Director of Purchasing,
Department of Trade and Commerce.*

H. B. MCKINNON,
*Chairman, Tariff Board,
Department of Finance.*

H. O. MORAN,
*Assistant Under-Secretary of State
for External Affairs.*

L. P. SAINT-AMOUR,
*Assistant Deputy Governor,
Bank of Canada.*

CHARLES STEIN, K.C.,
Under-Secretary of State.

K. W. TAYLOR,
Assistant Deputy Minister of Finance.

OFFICERS

W. D. LOW
Managing Director

C. R. SNELL
General Manager

F. F. WADDELL
Secretary and Legal Adviser

G. F. WEVILL
Comptroller

W. J. ATKINSON
General Purchasing Agent

HEAD OFFICE

No. 2 Temporary Building, 70 Lyon Street
Ottawa, Ontario

DISTRICT OFFICES

Victoria, B.C.

Vancouver, B.C.

Calgary, Alberta.

Edmonton, Alberta.

Regina, Saskatchewan.

Winnipeg, Manitoba.

London, Ontario.

Washington, D.C.

Toronto, Ontario.

Ottawa, Ontario.

Montreal, Quebec.

Quebec, Quebec.

Saint John, N.B.

Halifax, Nova Scotia.

St. John's, Newfoundland.

London, England.

CANADIAN COMMERCIAL CORPORATION

Ottawa, Canada

June 29, 1951.

The Right Honourable C. D. Howe,
Minister of Trade and Commerce
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Accounts, as audited by the Auditor General of Canada, covering the year ending March 31, 1951.

Yours faithfully,

(Signed) W. D. Low,
President.

ANNUAL REPORT
OF THE
CANADIAN COMMERCIAL CORPORATION

In the period under review the activities of the Corporation increased considerably, as a direct result of the increasing defence programme.

Contracts covering the acquisition of supplies, construction of projects and ships and the performance of various services connected with the Department of National Defence had a gross value of \$676,286,512 and numbered approximately 112,000 contracts, issued from Ottawa and from the district offices of the Corporation in Canada and abroad. The cost involved in negotiating and awarding these contracts and supervising delivery was \$1,401,416 or approximately .21% of the value of the goods and services obtained.

The Corporation continued to revise, improve and extend the lists maintained of the business organizations in Canada in a position to fulfill satisfactorily contracts placed with them. With certain exceptions, chiefly where research or the development of technical equipment was required, or where, for reasons of security, general publication of details was not possible or where, because of limited industrial capacity allocation of work became necessary, the Corporation adhered strictly to the established policy of awarding contracts on a competitive basis. Care was taken to see that in every case all interested persons were given an opportunity to tender; and the selection of the contractor was determined by the competitive attractiveness of the tenders submitted and the known capacity of the tenderer to fulfill his contractual obligations.

In the early part of the fiscal year, at the request of the Department of National Defence, the Corporation assumed the responsibility of maintaining records of all machinery, tooling and other equipment provided to contractors by way of capital assistance. In order to perform these added responsibilities there was established a Central Inventory Records Section under the Comptroller of the Corporation.

In view of the large defence construction programme, the Government arranged in November, 1950, for another crown company, Defence Construction Limited, to handle contracts for all new construction work required on behalf of the Department of National Defence. The Canadian Commercial Corporation continues to deal with all repair and maintenance work required by the Department of National Defence in respect of buildings, aerodromes, depots and other military establishments.

The facilities of the Corporation were employed in connection with various other Government activities; and contracts placed by the Corporation for these purposes had a total value of \$67,900,520, including the stockpiling of strategic materials and preparations to fulfill Canada's obligations to NATO countries.

Toward the end of the fiscal year the Corporation established a Wool Division with headquarters at Toronto. This Division was created after it had been ascertained that the Canadian textile mills could not undertake the large purchases of wool required in connection with the 1951-52 clothing programme of the Department of National Defence. The Corporation was, therefore, directed by the Minister of Trade and Commerce to assume the responsibilities of purchasing such wool and for the sale thereof to textile manufacturers. As of March 31st wool to the value of \$5,453,372 had been purchased.

The Corporation continued to act for such foreign governments and government agencies as requested its services. Purchases were made by the Corporation in an aggregate amount of \$35,036,927 on behalf of

France	Nicaragua
India	Pakistan
Israel	Portugal
Mozambique	United Kingdom
Netherlands	United States
The United Nations International Children's Emergency Fund	
United Nations Relief for Palestine Refugees	

During the period under review, the total business awarded by the Corporation had a gross value of \$784,677,331. At the

fiscal year end 665 persons were employed in the Corporation as compared with 411 at March 31, 1950.

At March 31st arrangements had been completed for the orderly transfer of the majority of the Corporation's active files and the majority of its personnel to the new Department of Defence Production, which Department assumed the duty of defence purchasing on April 1, 1951. The Corporation will continue to carry out the duties for which it was originally constituted, that is, to act as agent for foreign government procurement in Canada, and to act for the Crown in such transactions involving procurement outside of Canada as may be necessary, and will also undertake any other tasks that may be assigned to it by the Minister in connection with the defence production programme.

CANADIAN COMM
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BALANCE SHEET

G E N E R A L

ASSETS

Cash on Hand and in Bank.....	\$ 1,806,770.06
Investments—Government of Canada Bonds (par value \$186,200), at cost—less portion of premium amortized.....	190,926.83
Accounts and Claims Receivable.....	3,044,352.50
Inventory, at cost.....	135,464.57

5,177,513.96

A G E N C Y

Cash in Bank.....	\$ 4,733,650.15
Advances to Suppliers.....	5,578,105.78
Inventories, at cost.....	5,317,797.08

15,629,553.01

Market Value of Government of Canada Bonds at
March 31, 1951 — \$180,397.93

Approved on behalf of the Board

(Sgd.) M. W. MACKENZIE
President

(Sgd.) W. D. LOW,
Managing Director

AL CORPORATION
COMMERCIAL CORPORATION ACT)

MARCH 31, 1951

A C C O U N T

LIABILITIES AND CAPITAL

LIABILITIES

Accounts Payable and Accrued Charges.....	\$	664,150.82	
Employees' Funds—Staff Savings Plans:			
Pay deductions (with interest) repayable on			
separation, etc.....		207,818.24	
Deferred Revenue—surcharge on purchase			
orders placed for others.....		1,671.53	\$ 873,640.59

CAPITAL AND SURPLUS

Government of Canada:			
Advance for working capital provided under Section			
8 of the Canadian Commercial Corporation Act.....		3,500,000.00	

SURPLUS

Balance as at March 31, 1950.....	\$	799,732.59	
Add—Prior year's adjustments.....		51,389.76	
		851,122.35	
Excess of expenses over income			
for the year ended March 31, 1951,			
per Schedule I.....		47,248.98	803,873.37 4,303,873.37

5,177,513.96

A C C O U N T

LIABILITIES

Accounts payable to Suppliers.....	\$	2,351,923.70	
Contractors' Security Deposits.....		23,563.47	2,375,487.17

NET OBLIGATIONS TO PRINCIPALS

Representing advances from agencies			
of various governments (including			
Canada) and certain international			
bodies.....			13,254,065.84
			<u>15,629,553.01</u>

Contingent Liabilities: Claims pending \$97,808.93

I have examined the accounts of the Canadian Commercial Corporation for the year ended March 31, 1951, and have obtained all the information and explanations I have required. In my opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, as at March 31, 1951, according to the best of my information and the explanations given to me and as shown by the books of the Corporation.

(Sgd.) WATSON SELLAR
Auditor General.

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expenses for the year ended March 31, 1951

INCOME

From defence purchasing services on behalf of the Government of Canada	\$1,401,416.36	
From purchasing for agencies of various governments (including Canada) and international agencies....	<u>86,639.15</u>	\$1,488,055.51
Other Income.....	<u>19,157.05</u>	\$1,507,212.56

EXPENSES

Salaries:

Executive officers.....	38,179.96	
Others.....	<u>1,183,138.89</u>	1,221,318.85
Rent, Light and heat.....		47,653.67
Telephone, telegraph and postage.....		101,323.45
Printing, stationery and office supplies..		57,722.90
Advertising for tenders.....		29,433.85
Travel expenses.....		34,514.68
Unemployment insurance.....		10,508.95
Interest on employees' retirement fund deposits.....		6,452.08
Maintenance of office equipment.....		6,181.03
Furniture and equipment.....		27,320.68
Maintenance of building.....		3,000.57
Other Expenses.....	<u>9,030.83</u>	<u>1,554,461.54</u>

Excess of expenses over income

carried to Surplus.....	<u><u>47,248.98</u></u>
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Government
Publications

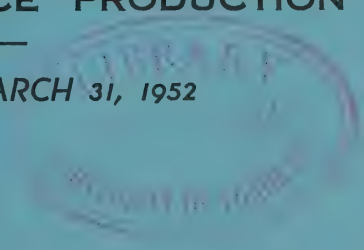
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CANADIAN COMMERCIAL CORPORATION

SIXTH ANNUAL REPORT TO THE MINISTER OF DEFENCE PRODUCTION

APRIL 1, 1951 TO MARCH 31, 1952



CANADIAN COMMERCIAL CORPORATION

A Company wholly owned by the Government of Canada

Established by Canadian Commercial Corporation Act
Statutes of Canada 1946, 10 George VI Chap. 40
as amended by Statutes of Canada 1947, 11 George VI Chap. 51,
Statutes of Canada 1949, 13 George VI, Chap. 2,
Statutes of Canada 1950, 14 George VI, Chap. 51, and
Statutes of Canada 1951, 15 George VI, Chap. 13.

PRESIDENT

W. D. LOW

DIRECTORS

R. M. BROPHY,
*Co-ordinator of Production,
Department of Defence Production.*

T. N. BEAUPRE,
*Special Assistant to Deputy
Minister of Defence Production.*

L. D. HUDON,
*Financial Adviser, Department
of Defence Production.*

C. R. SNELL,
*Deputy Co-ordinator of
Purchasing, Department
of Defence Production.*

G. W. HUNTER,
*Executive Assistant to
Deputy Minister of
Defence Production.*

OFFICERS

R. G. PEERS,
Vice President

W. D. LOW
President

C. R. SNELL,
Managing Director

F. F. WADDELL,
Secretary and Legal Adviser

G. F. WEVILL,
Comptroller.

HEAD OFFICE

No. 4 Temporary Building, 56 Lyon Street
Ottawa, Ontario

BRANCH OFFICES

Washington, D.C. Toronto, Ontario.

CANADIAN COMMERCIAL CORPORATION

Ottawa, Canada

June 25, 1952.

The Right Honourable C. D. Howe,
Minister of Defence Production,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Accounts, as audited by the Auditor General of Canada, covering the year ending March 31, 1952.

Yours faithfully,

(Signed) W. D. Low,

President.

ANNUAL REPORT
OF
CANADIAN COMMERCIAL CORPORATION

General

The Corporation was established in 1946 by The Canadian Commercial Corporation Act, 10 George VI, Chapter 40, to assist in the development of trade between Canada and other nations, to dispose of goods that are available for export from Canada, to assist persons in Canada to obtain goods from outside Canada, and to perform under the Minister of Defence Production, any special duties provided for in any other Act of the Parliament of Canada.

During the fiscal year ending March 31, 1952, the activities of the Corporation fell into the following general categories:

(1) Sales of defence supplies and other goods to the United States Departments of the Army, Navy and Air Force, hereinafter referred to as "United States Military Departments";

(2) The procurement of goods and commodities in Canada for the Government of the United Kingdom and for the governments of the following Commonwealth countries, Crown colonies and other countries:

Australia,	Brazil,	Israel,
New Zealand,	Chile,	Nicaragua,
Bermuda,	Dominican Republic,	Portugal,
India,	France,	Spain,
Pakistan,	Germany,	Uruguay,
Malaya & Singapore,	Greece,	Yugoslavia.
Belgian Congo,	Indonesia,	

(3) Agency services covering the procurement of goods and commodities for such international organizations as the United Nations International Children's Emergency Fund and the United Nations Relief Works Agency for Palestine Refugees.

(4) Services rendered to departments and agencies of the Government of Canada, which services included the importation of wool for sale by the Department of Defence Production to Canadian textile mills in order to ensure that fabric would be available in sufficient quantities to meet Canada's defence programme; the purchase of strategic materials for the Department of Defence Production; the purchase of communication equipment for the Department of Transport; the purchase of certain defence supplies for Canadian Arsenals Limited; the temporary utilization of part of the Corporation's working

capital in order to provide funds to cover the importation of butter by the Department of Agriculture, which funds were subsequently repaid out of the proceeds of sales of butter by that department; and, at the request of the Department of Defence Production, the sale of newsprint to other nations in accordance with allocations recommended by the International Materials Conference and accepted by the Government of Canada.

Total Exports

The total exports of Canadian goods and commodities to governments and international organizations made through the Corporation during the fiscal year amounted to \$206,504,000.00.

Total Imports

The total imports of goods and commodities made by the Corporation on behalf of departments and agencies of the Government of Canada during the fiscal year amounted to \$33,592,000.00.

Exports to United States Military Departments

Of the above-mentioned sum of \$206,504,000.00, the sum of \$185,810,000.00 represented sales to the United States Military Departments. This business is due in a large measure to the efforts made toward the integration of the common defence efforts of the two countries and the promotion, by officers of the Corporation, of the sale of Canadian made defence supplies to the various procurement offices of the United States Military Departments. Included in this effort was the negotiation of a master agreement with those departments covering policies and procedures designed to increase their use of Canadian manufacturing facilities and providing for the utilization by the United States Military Departments of the audit facilities of the Canadian Government and also providing for the use by each country of the inspection facilities of the other. Co-operation between the personnel of the Corporation and the personnel of the United States Military Departments has developed in a very satisfactory manner, with the result that contracts in steadily increasing numbers are being placed with the Corporation. It is recognized that some of the larger contracts are placed by the United States Military Departments with the Corporation in order to further the standardization of equipment and the dispersal of production facilities and to ensure supplemental sources of supply.

Procurement by the Corporation

Procurement of goods and commodities from Canadian suppliers for the purposes of the Corporation's operations, are processed by means of requisitions placed by the Corporation with the purchasing and production branches of the Department of Defence Production, after the Corporation has settled with the recipient government, department, agency or international organization all the terms of contract, including specifications, price, delivery, method of payment and general conditions of sale. Payment for the goods is made to the Corporation by the recipient government, department, agency or international organization, and the Corporation in turn arranges payment to the Canadian supplier. Other nations and international organizations are thus able to obtain goods in Canada at prices which, with few exceptions, are no higher than the Government of Canada would pay if it were buying for its own account. Where Canada is already buying the same type of goods for its own use, the requirements of other nations and international organizations may, in many cases, be obtained from current production with considerable saving to the purchaser.

Wool Purchases

When it was found that Canadian textile mills were not prepared to purchase the large quantity and special types of wool required for the clothing and textile programme of the Department of National Defence of Canada, the Corporation established, in February 1951, a Wool Purchasing Division for this purpose. This Division is administered by executive officers and a Wool Advisory Board, all of whom are men experienced in the field. By March 31st, 1952, the Corporation had purchased approximately 8,770,000 pounds of wool at a cost of approximately \$26,500,000.00.

Upon delivery of the wool it was sold at cost to the Department of Defence Production for ultimate sale to manufacturers of cloth under defence contracts. It is anticipated that all wool will be disposed of and the activities of the Wool Division completed early in the next fiscal year.

Staff

The total staff of the Corporation as at March 31st, 1952, totalled 38 persons including all executive officers and administrative personnel at its head office in Ottawa, Canada, and at its offices in Toronto, Canada, and in Washington, D.C.

CANADIAN COMM

(Incorporated under the Ca
Balance Sheet

ASSETS

GENE

Cash on hand and in bank.....	\$ 5,439,560.58
Investments—\$186,200 Government of Canada Bonds, at amortized cost (market value \$176,757).....	190,508.27
Advances to suppliers.....	19,845,074.08
Accounts and claims receivable.....	7,282,924.39
Inventory of commodities on hand, at cost, as determined and certified by the management.....	413,332.34

33,171,399.66

AGEN

Cash in bank.....	\$23,059,909.87
Advances to suppliers.....	1,726,053.42

24,785,963.29

Approved on behalf of the Board

(Sgd.) W. D. LOW
President

(Sgd.) C. R. SNELL
Managing Director

AL CORPORATION

Commercial Corporation Act)

March 31, 1952

LIABILITIES AND CAPITAL

COUNT

LIABILITIES

Accounts payable and accrued liabilities.....	\$ 5,180,649.70	
Advance payments—foreign governments.....	16,535,383.70	
Reserve for price adjustment on export sales.....	484,167.71	
Deferred credits—surcharge.....	97,703.84	
Employees' funds—staff savings plans:		
Pay deductions (with interest) repayable:		
on separation, etc.....	35,213.62	\$22,333,118.57

CAPITAL AND SURPLUS

Government of Canada:			
Advance for working capital provided			
under Section 8 of the Canadian			
Commercial Corporation Act.....	10,000,000.00		
Surplus:			
Balance at March 31, 1951.....	\$803,873.37		
Excess of income over expenditure			
for the year ended March 31, 1952,			
per Schedule 1.....	34,407.72	838,281.09	10,838,281.09
			33,171,399.66

COUNT

LIABILITIES

Accounts payable.....	\$ 1,323,031.36
<u>NET OBLIGATIONS TO PRINCIPALS</u>	
Representing advances from agencies of	
various governments (including Canada)	
and certain international bodies.....	23,462,931.93
	24,785,963.29

CONTINGENT LIABILITIES: Claims pending \$96,722.79

I have examined the accounts of the Canadian Commercial Corporation for the year ended March 31, 1952, and have obtained all the information and explanations I have required. In my opinion the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Corporation's affairs, as at March 31, 1952, according to the best of my information and the explanations given to me and as shown by the books of the Corporation.

(Sgd.) J. HOPKINSON
Assistant Auditor General.

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expenditure for the year ended March 31, 1952

INCOME

Purchase surcharge from various governments (including Canada) and international agencies.....	\$186,417.37	
Interest and other income.....	14,065.75	
		<u>\$200,483.12</u>

EXPENDITURE

Salaries:

Executive Officers.....	\$ 38,727.15
Others	778,493.93
	<u>817,221.08</u>

Less: Recovery from Department of Defence Production with respect to shared personnel.....	701,011.52	116,209.56
--	------------	------------

Rent, light and heat.....	1,892.44
Telephone, telegraph and postage.....	5,079.33
Printing, stationery and office supplies.....	6,496.00
Advertising for tenders.....	417.71
Travel expenses.....	13,484.79
Unemployment insurance.....	4,693.26
Interest on employees' retirement fund deposits.....	4,526.87
Maintenance of office equipment.....	598.32
Other expenses.....	12,677.12

Excess of income over expenditure carried to Surplus.....	<u>34,407.72</u>
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Government
Publications

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CANADIAN COMMERCIAL CORPORATION

SEVENTH ANNUAL REPORT TO THE MINISTER OF DEFENCE PRODUCTION

APRIL 1, 1952 TO MARCH 31, 1953

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CANADIAN COMMERCIAL CORPORATION

A Company wholly owned by the Government of Canada

Established by Canadian Commercial Corporation Act,
Statutes of Canada 1946, 10 George VI Chap. 40 as amended by Statutes of Canada 1947, II George VI, Chap. 51,
Statutes of Canada 1949, 13 George VI, Chap. 2,
Statutes of Canada 1950, 14 George VI, Chap. 51 and
Statutes of Canada 1951, 15 George VI, Chap. 13.

DIRECTORS AND OFFICERS AS OF MARCH 31, 1953.

PRESIDENT

W. D. LOW

DIRECTORS

T. N. BEAUPRE,

*Assistant Deputy Minister,
Department of Defence Production.*

G. M. GRANT,

*Co-ordinator of Production,
Department of Defence Production.*

D. A. GOLDEN,

*Assistant Deputy Minister,
Department of Defence Production.*

G. W. HUNTER,

*Financial Adviser,
Department of Defence Production.*

C. R. SNELL,

*Co-ordinator, General Purchasing Branch,
Department of Defence Production.*

OFFICERS

W. D. LOW

President

F. F. WADDELL,

Secretary and Legal Adviser

G. F. WEVILL,

Comptroller

HEAD OFFICE

No. 4 Temporary Building, 56 Lyon Street
Ottawa, Ontario

BRANCH OFFICE

Washington, D.C.

CANADIAN COMMERCIAL CORPORATION

Ottawa, Canada

June 29, 1953.

The Right Honourable C. D. Howe,
Minister of Defence Production,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Income and Expenditure, as audited by the Auditor General of Canada, covering the year ending March 31, 1953.

Yours faithfully,

(Signed) W. D. LOW,

President.

ANNUAL REPORT
OF
CANADIAN COMMERCIAL CORPORATION

Fiscal Year Ending March 31, 1953

During the fiscal year ending March 31, 1953, the activities of the corporation fell into the following general categories:

(1) The purchase of goods and commodities in Canada for the governments of:

Australia	France	Pakistan
Bermuda	India	United Kingdom
Chile	Israel	United States of America

(2) During the fiscal year the Corporation continued to ship stores to the following other governments under uncompleted contracts placed in previous fiscal years:

Belgian Congo	
Indonesia	Portugal
New Zealand	South Africa

(3) The purchase of goods and commodities for the following agencies of the United Nations: The United Nations Relief Works Agency, International Children's Emergency Fund, Korean Reconstruction Agency and Relief Works Agency for Palestine Refugees.

(4) The purchase of goods and commodities, the procurement of services and the placing of contracts for various projects on behalf of the International Technical Co-operation Division of the Department of Trade and Commerce, as Canada's contribution to the governments of India, Ceylon and Pakistan under the auspices of the Colombo Plan.

(5) The shipment to recipient countries of stores included in Canada's contribution to the North Atlantic Treaty Organization.

(6) The importing of strategic materials for the Department of Defence Production.

Total Purchases for Export

The total value of goods, commodities, services and projects contracted for by the Corporation during the fiscal year amounted to \$238,166,854.00, including supplies sold to the Government of the United States for use in Canada.

Total Imports

The total value of strategic materials imported by the Corporation on behalf of the Department of Defence Production during the fiscal year amounted to \$2,135,782.00.

Sales to United States Military Departments

Of the above mentioned sum of \$238,166,854.00, the sum of \$207,254,605.00 represents sales to the United States Military Departments. Co-operation between the Corporation and the United States Military Departments has continued to develop satisfactorily, and the Ottawa offices established by the United States Air Force and the Detroit Ordnance District of the United States Army have greatly facilitated the transaction of business between the Corporation and those United States Military Departments.

Colombo Plan

The Corporation, under the Colombo Plan administration, entered into contracts for stores, services and projects in connection with Canada's contribution to the governments of India, Ceylon and Pakistan. These included an air and geological survey of natural resources; an engineering survey in respect of irrigation schemes and hydro-electric power projects; the construction of a cement plant; agricultural machinery and related equipment for a model livestock farm; trucks and buses for transportation systems; railway ties; fishing boats and a fishing trawler.

The total value of the foregoing was \$15,963,234.00.

UNKRA

During the fiscal year the Corporation entered into an agreement with the United Nations Korean Reconstruction Agency under which the Corporation undertook to act as its purchasing agent in Canada. As a result of this agreement the Corporation placed contracts in Canada to the value of \$5,099,750.00. These contracts included the purchase of 500 tons of paper and 66,000 tons of barley.

Procurement by the Corporation

Procurement of goods and commodities from Canadian suppliers for the purposes of the Corporation's operations, are processed by means of requisitions placed by the Corporation with the purchasing and production branches of the Department of Defence Production, after the Corporation has settled with the recipient government, department, or international organization all the terms of contract, including specifications, price, delivery, method of payment and general conditions of sale. Payment for the goods is made to the Corporation by the recipient government, department, or international organization, and the Corporation in turn arranges payment to the Canadian supplier. Other countries and international organizations are thus able to obtain goods in Canada at prices which, with few exceptions, are no higher than the Government of Canada would pay if it were buying for its own account. Where Canada is already buying the same type of goods for its own use, the requirements of other countries and international organizations may, in many cases, be obtained from current production with considerable saving to the purchaser.

Staff

The total staff of the Corporation as at March 31, 1953, totalled 49 persons including all executive officers and administrative personnel at its head office in Ottawa, Canada, and at its office in Washington, D.C.

AUDITOR GENERAL'S OFFICE
Ottawa, June 24th, 1953.

Dear Sir,

Re: Canadian Commercial Corporation

The audit of the accounts of the Canadian Commercial Corporation for the year ended March 31, 1953, has been completed and, in accordance with Section 87 of the Financial Administration Act, my report on the results of the examination of the accounts and the attached financial statements is submitted herewith.

Unabsorbed losses on United States Government Contracts \$247,083

The balance in the above account arises mainly from losses incurred on firm price contracts where stores, purchased from Canadian suppliers, have been furnished to the U.S. Government on a "dollar for dollar" basis notwithstanding the depreciated position of U.S. currency in terms of Canadian dollars.

The account also includes a loss to date of \$11,528 on a contract with the U.S. Government for certain munitions. As the estimated total loss on this contract may be \$211,500, the balance of \$199,972 is shown on the Balance Sheet as a "Contingent Liability". An appeal has been made to the U.S. Government for relief against this loss.

By agreement, any losses, including net losses resulting from fluctuations in exchange rates, may be recovered out of any excess profits or renegotiation refunds which may be obtained.

No provision has been made in the accounts against the losses recorded to date.

Subject to the foregoing, I certify that, in my opinion,

1. proper books of accounts have been kept by the Corporation;
2. the Financial Statement has been prepared on a basis consistent with that of the preceding year and is in agreement with the books of account; also, the Balance Sheet and the accompanying Statement of Income and Expenditure, respectively, give a true and fair view of the state of the Corporation's affairs as at March 31, 1953, and of the results of the Corporation's operations for the fiscal year; and
3. the transactions of the Corporation that have come under my notice have been within the Corporation's powers under the Financial Administration Act, the Canadian Commercial Corporation Act and any other Act applicable to the Corporation.

Yours faithfully,

(Signed) J. Hopkinson
Assistant Auditor General.

The Right Honourable C. D. Howe,
Minister of Defence Production,
Ottawa, Ontario.

CANADIAN COMM

(Incorporated under the Ca
Balance She

ASSETS

GENE

Cash on hand and in bank	\$ 6,241,063
Government of Canada Treasury Bills due May 8, 1953, at cost	2,995,290
Investments — \$186,200 Government of Canada Bonds, at amortized cost (market value \$174,014)	190,114
Advances and progress payments to suppliers	72,247,415
Accounts and claims receivable	6,056,491
Unabsorbed losses on United States Government contracts	247,083
Inventory of materials and equipment, at cost, as determined and certified by the management	355,693

88,333,149

AGEN

ASSETS

Cash in bank, including accrued interest	18,447,356
Government of Canada Treasury Bills due May 8, 1953, at cost	698,810
Advances and progress payments to suppliers	2,053,487

21,199,653

Approved on behalf of the Board

(Sgd.) W. D. LOW
President

(Sgd.) G. W. HUNTER
Director

AL CORPORATION

Commercial Corporation Act)

March 31, 1953

COUNT

LIABILITIES AND CAPITAL

LIABILITIES

Accounts payable and accrued liabilities.....	\$	2,545,057	
Advance payments by foreign governments		74,781,587	
Deferred credits — surcharge.....		159,908	
Employees' funds — staff savings plan:			
Pay deductions (with interest) repayable on			
separation, etc.		7,271	\$ 77,493,823

CAPITAL AND SURPLUS

Government of Canada:			
Advance for working capital provided under			
Section 8 of the Canadian Commercial			
Corporation Act		10,000,000	
Surplus:			
Balance at March 31, 1952.....	\$838,281		
Less—Prior year's adjustments for			
losses on exchange	7,251		
	831,030		
Excess of income over expenditure			
for the year ended March 31, 1953,			
per Schedule 1	8,296	839,326	10,839,326
			88,333,149

COUNT

LIABILITIES

Accounts payable	1,147,717
------------------------	-----------

OBLIGATIONS TO PRINCIPALS

Representing advances from agencies of	
various governments (including Cana-	
da) and certain international bodies....	20,051,936
	21,199,653

CONTINGENT LIABILITIES

Possible loss on uncompleted contract.....	199,972
Claims pending	91,589
	291,561

The accounts of Canadian Commercial Corporation for the fiscal year ended March 31, 1953 have been examined under my direction to the extent considered appropriate and all the information and explanations which have been required have been received. I certify that the above Balance Sheet and the attached Statement of Income and Expenditure are in accordance with the Corporation's books and that, subject to the eventual recovery of Unabsorbed Losses on United States Government Contracts as reported upon to the Minister of Defence Production, copy herewith, they are, in my opinion, properly drawn up so as to give a true and fair view of the state of the Corporation's affairs as at March 31, 1953, and of its income and expenditure for the fiscal year, respectively.

(Sgd.) J. HOPKINSON

Assistant Auditor General.

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expenditure for the year ended March 31, 1953

INCOME

Purchase surcharge from various governments (including Canada) and international agencies	\$200,617	
Interest and other income	<u>11,698</u>	\$212,315

EXPENDITURE

Salaries: Executive officers	\$ 54,166	
Others	<u>119,309</u>	173,475
Travel expenses	10,467	
Rent, light and heat	6,622	
Telephone, telegraph and postage	4,255	
Printing, stationery and office supplies	2,695	
Unemployment insurance	823	
Interest on employees' retirement fund deposits	204	
Maintenance of office equipment	79	
Other expenses	<u>5,399</u>	
		<u>204,019</u>
Excess of income over expenditure		<u><u>8,296</u></u>



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CANADIAN COMMERCIAL CORPORATION



EIGHTH ANNUAL REPORT TO THE MINISTER OF DEFENCE PRODUCTION

APRIL 1, 1953 TO MARCH 31, 1954

CANADIAN COMMERCIAL CORPORATION

A Company wholly owned by the Government of Canada

Established by Canadian Commercial Corporation Act,
Statutes of Canada 1946, 10 George VI Chap. 40 as amended
by Statutes of Canada 1947, II George VI, Chap. 51,
Statutes of Canada 1949, 13 George VI, Chap. 2,
Statutes of Canada 1950, 14 George VI, Chap. 51 and
Statutes of Canada 1951, 15 George VI, Chap. 13.

DIRECTORS AND OFFICERS AS OF MARCH 31, 1954.

PRESIDENT

W. D. LOW

DIRECTORS

T. N. BEAUPRE,
*Assistant Deputy Minister,
Department of Defence Production.*

G. M. GRANT,
*Co-ordinator of Production,
Department of Defence Production.*

D. M. ERSKINE,
*Director, General Purchasing Branch,
Department of Defence Production.*

G. W. HUNTER,
*Financial Adviser,
Department of Defence Production.*

D. A. GOLDEN,
*Assistant Deputy Minister,
Department of Defence Production.*

FINLAY SIM,
*Comptroller-Secretary,
Department of Trade and Commerce.*

OFFICERS

W. D. LOW,
President

F. F. WADDELL,
Secretary and Legal Adviser

G. F. WEVILL,
Comptroller

HEAD OFFICE

No. 4 Temporary Building, 56 Lyon Street
Ottawa, Ontario

BRANCH OFFICE

Washington, D.C.

CANADIAN COMMERCIAL CORPORATION

Ottawa, Canada

June 16, 1954.

The Right Honourable C. D. Howe,
Minister of Defence Production,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Income and Expenditure, as audited by the Auditor General of Canada, covering the year ending March 31, 1954.

Yours faithfully,

(Signed) W. D. LOW

President.

ANNUAL REPORT
OF
CANADIAN COMMERCIAL CORPORATION

Fiscal year ending March 31, 1954.

Canadian Commercial Corporation was established in the year 1946 by Act of the Parliament of Canada as a Crown Corporation wholly owned by the Government of Canada.

The purposes of the Corporation are to assist in the development of trade between Canada and other nations, to dispose of goods and commodities that are available for export from Canada and to act for the Minister of Defence Production and others in the manner provided by statutes of Canada. In carrying out the foregoing purposes, the Corporation imports supplies into, and exports supplies from, Canada either as principal or agent and complies with any direction given by the Governor in Council or the Minister of Defence Production.

The principal activities of the Corporation during the fiscal year can be divided into the following categories:

1. The purchase of goods and commodities in Canada for the governments of other countries, and shipment to such countries.
2. The purchase of goods and commodities for the following agencies of the United Nations: the United Nations Works and Rehabilitation Agency, International Children's Emergency Fund, and Korean Reconstruction Agency.
3. The purchase of goods, commodities and services and the placing of contracts for various projects on behalf of the International Technical and Co-operation Division of the Department of Trade and Commerce as Canada's contribution to the Governments of India, Ceylon and Pakistan under the auspices of the Colombo Plan.
4. The purchase and shipment to recipient countries of supplies included in Canada's contribution to the North Atlantic Treaty Organization.
5. The purchase of goods and commodities for other Departments of the Government of Canada for export.
6. The importing of strategic materials for the Department of Defence Production.

The total business under administration by the Corporation as at March 31, 1954 amounted to approximately \$196,330,000.00, which represents the value of goods, commodities, services and projects yet to be delivered or completed.

Contracts covering the procurement of goods, commodities and services and for the carrying out of projects are arranged by means of requisitions placed by the Corporation with the purchasing and production branches of the Department of Defence Production or with Defence Construction (1951) Limited, a Crown company responsible to the Minister of Defence Production, after the Corporation

has arranged for maximum procurement from Canadian sources, and has settled with the recipient government, department or international organization all the terms of contract, including specifications, price, delivery, method of payment and general conditions of sale. Funds for the goods, services and projects are made available by the recipient government, international organization or Canadian Government department, and the Corporation in turn, makes or approves payment to the Canadian supplier.

In the two previous fiscal years a large part of the Corporation's business covered the procurement of defence supplies for the United States Departments of the Army, Navy and Air Force. During the last fiscal year such purchases for the United States Government decreased considerably as will be seen in the following part of this report, but this decrease was partly offset by the activities of the Corporation on behalf of the Colombo Plan and the North Atlantic Treaty Organization.

The Corporation has been placing before Canadian industry Invitations to Bid received from the United States Military Departments. Such Invitations are received because the Corporation caused its name to be placed on certain mailing lists maintained by these Departments. The processing of these Invitations to Bid has resulted in considerable business and the Corporation is continuing to interest Canadian industry in bidding competitively on these requirements.

During the fiscal year ending March 31, 1954 the Corporation purchased goods, commodities and services in Canada, and placed contracts in Canada for various projects, for the following governments and international organizations:

Australia	Sweden
Belgium	Switzerland
Bermuda	United Kingdom
Ethiopia	United States
Holland	United Nations International
India	Children's Emergency Fund (UNICEF)
Israel	United Nations Korean Reconstruction
Italy	Agency (UNKRA)
Pakistan	United Nations Works & Rehabilitation
Portugal	Agency (UNWRA)

and for the following departments of the Government of Canada:

Department of Defence Production
 Department of Trade and Commerce (Colombo Plan
 Administration)
 Department of National Defence (NATO Contributions)
 Department of External Affairs (Greek and South Korean
 Relief)

Total Value of Exports and Imports

The total value of supplies, services and projects contracted for by the Corporation during the fiscal year amounted to \$168,921,000.00, including strategic materials imported by the Corporation on behalf of the Department of Defence Production valued at \$1,920,985.00. Certain details of the business conducted are set out below.

Sales to United States Military Departments

Of the above mentioned sum of \$168,921,000.00, the sum of \$38,474,000.00 represents sales to the United States Military Departments, being a considerable decrease from sales totalling \$207,254,605.00 made to these Departments during the previous fiscal year. Several contracts placed in former years were terminated in whole or in part by these Departments during the fiscal year. In these cases the Departments are making appropriate payments to the Corporation to cover termination claims. The largest contract terminated covered a quantity of aircraft for the United States Air Force valued at approximately \$105,000,000.00. Claims resulting from this termination are now being processed and it is expected that all claims will be settled during the latter part of 1954. Another contract for aircraft was partially terminated by the United States Air Force, the value of the terminated portion being \$2,076,500.00. The United States Army Ordnance Corps partially terminated four contracts covering defence supplies, the terminated portions of which were valued at approximately \$8,120,000.00.

Colombo Plan

The Corporation, on behalf of the Colombo Plan Administration, entered into contracts for stores, services and projects valued at \$30,570,000.00 in connection with Canada's contributions to the Governments of India, Pakistan and Ceylon. These include:

Agricultural Equipment	Hydro-Electric Equipment
Aircraft (specially equipped for locust-control spraying)	Irrigation Equipment
Deep Sea Fishing Equipment	Locomotive Boilers
Diesel Locomotives	Mechanical Tools
Electric Generating Plant	Pick-up Trucks
Engineering Services	Refrigeration Plant
	Steam Locomotives

North Atlantic Treaty Organization

Canada's contributions to the countries of the North Atlantic Treaty Organization continued during the year, and the Corporation was called upon to arrange and administer contracts having a total value of \$88,000,000.00, covering munitions, electronic equipment, aircraft equipment and other supplies for shipment to six NATO countries.

United Nations Agencies

The total value of supplies contracted for and shipped by the Corporation during the fiscal year for the three agencies of the United Nations referred to above amounted to \$2,242,590.00. Under these programmes the Corporation shipped the following:

Korean Reconstruction Agency — lumber, newsprint, bond and printing papers, plywood, hardwood, jointers and saws, echo sounders, centrifugal pumps and diamond dies.

International Children's Emergency Fund — medicines and surgical equipment.

Works and Rehabilitation Agency — flour.

United Kingdom

Purchases made in Canada and shipped on behalf of the United Kingdom War Office, the Admiralty, and the Ministry of Health totalled \$1,156,000.00 in the fiscal year. The items purchased included Canadian flour and typhus vaccine.

Other Transactions

The Corporation continued to act as export sales agent for Canadian Arsenals Limited, a company wholly owned by the Government of Canada, and in this connection negotiated sales of defence supplies to certain NATO countries to enable them to fill orders placed with them by the United States Government under its European assistance programme. During the fiscal year such sales a m o u n t e d to \$1,324,500.00.

On behalf of the Department of External Affairs the Corporation purchased and shipped to Greece as a relief measure following the earthquake disaster in that country dried salt codfish, evaporated milk and building materials to a value of \$500,000.00. The Corporation also purchased and shipped to South Korea on behalf of the Department of External Affairs, dried salt codfish to the value of \$750,000.00 as a relief contribution to that country.

Staff

The staff of the Corporation as at March 31, 1954 totalled 50 persons including all executive officers and administrative personnel at its head office in Ottawa, Canada, and at its office in Washington, D.C.

Accounts

The balance sheet of the Corporation as at March 31, 1954 and statement of income and expenditure for the year ended that date, duly certified with report by the Auditor-General, are set out on the following pages.

Ottawa, June 16, 1954.

Dear Sir,

Re: Canadian Commercial Corporation

The audit of the accounts of the Canadian Commercial Corporation for the year ended March 31, 1954 has been completed and, in accordance with Section 87 of the Financial Administration Act, my report on the results of the examination of the accounts and the attached financial statements is submitted herewith.

Unabsorbed losses on United States Government Contracts \$1,004,578

The balance in the above account arises mainly from losses incurred on firm price contracts where stores, purchased from Canadian suppliers, have been furnished to the U.S. Government on a "dollar for dollar" basis notwithstanding the depreciated position of U.S. currency in terms of Canadian dollars.

The account also includes a loss to date of \$198,884.00 on a contract with the U.S. Government for certain munitions. As the estimated total loss on this contract may be \$211,500.00, the balance of \$12,616.00 is shown on the Balance Sheet as a "Contingent Liability". An appeal has been made to the U.S. Government for relief against this loss.

By agreement, any losses, including net losses resulting from fluctuations in exchange rates, may be recovered out of any excess profit or renegotiation refunds which may be obtained.

No provision has been made in the accounts against the losses recorded to date.

Subject to the foregoing, I certify that, in my opinion,

1. proper books of account have been kept by the Corporation;
2. the Financial Statements have been prepared on a basis consistent with that of the preceding year are in agreement with the books of account; also, the Balance Sheet and the accompanying Statement of Income and Expenditure, respectively, give a true and fair view of the state of the Corporation's affairs as at March 31, 1954, and of the results of the Corporation's operations for the fiscal year; and
3. the transactions of the Corporation that have come under my notice have been within the Corporation's powers under the Financial Administration Act, the Canadian Commercial Corporation Act and any other Act applicable to the Corporation.

Yours faithfully,

(Signed) WATSON SELLAR
Auditor General of Canada.

The Right Honourable C. D. Howe,
Minister of Defence Production,
Ottawa, Ontario.

CANADIAN COMMERCE

(Incorporated under the Canadian Companies Act)

Balance Sheet

ASSETS

GENERAL

Cash on hand in bank	\$ 7,918,194
Investments — \$186,200 Government of Canada Bonds, at amortized cost (market value \$184,870)	189,708
Advances and progress payments to suppliers on projects in Canada of other governments	137,418,877
Accounts and claims receivable	10,141,144
Inventory of material and equipment, at cost, as determined and certified by the management	131,632
Unabsorbed losses on United States Government contracts	1,004,578

156,804,133

AGENCY

Cash in bank, including accrued interest	7,830,597
Security deposit by customer — Government of Canada Bond 2¼%, 1955.....	100,000
Advances and progress payments to suppliers, etc.	4,629,422
	<u>12,560,019</u>

Approved on behalf of the Board

(Sgd.) W. D. LOW
President

(Sgd.) G. W. HUNTER
Director

CIAL CORPORATION

(Commercial Corporation Act)

at March 31, 1954

LIABILITIES AND CAPITAL

ACCOUNT

LIABILITIES

Accounts payable and accrued liabilities	\$ 7,689,145	
Advance payments by U.S. Government on projects in Canada	138,179,809	
Deferred credits — surcharge	48,938	
Employees' funds — staff savings plan: Pay deductions (with interest) repayable on separation, etc.	10,360	\$145,928,252

CAPITAL AND SURPLUS

Government of Canada: Advance for working capital provided under Section 8 of the Canadian Commercial Corporation Act	10,000,000	
Surplus: Balance as at March 31, 1953	\$839,326	
Excess of income over expenditure for the year ended March 31, 1954, per Schedule 1	36,555	875,881
		<u>10,875,881</u>
		<u>156,804,133</u>

ACCOUNT

LIABILITIES

Accounts payable	865,810	
Customer for security deposit	100,000	965,810

OBLIGATIONS TO PRINCIPALS

Representing advances from agencies of various governments (including Canada) and certain international bodies		11,594,209
		<u>12,560,019</u>

CONTINGENT LIABILITIES

Claims pending	75,000	
Possible loss on uncompleted contract	12,616	
Estimated contribution to Public Service Superannuation Fund for employees who elect to count arrears of service	8,550	
	<u>96,166</u>	

The accounts of the Canadian Commercial Corporation for the fiscal year ended March 31, 1954 have been examined under my direction to the extent considered appropriate and all the information and explanations which have been required have been received. I certify that the above Balance Sheet and the attached Statement of Income and Expenditure are in accordance with the Corporation's books and that, subject to the eventual recovery of Unabsorbed Losses on United States Government Contracts as reported upon to the Minister of Defence Production, copy herewith, they are, in my opinion, properly drawn up so as to give a true and fair view of the state of the Corporation's affairs as at March 31, 1954, and of its income and expenditure for the fiscal year, respectively.

(Sgd.) WATSON SELLAR
Auditor General of Canada.

CANADIAN COMMERCIAL CORPORATIONStatement of Income and Expenditure for the year ended March 31, 1954INCOME

Purchase surcharge from various governments (including Canada) and international agencies	\$186,872
Interest and other income	<u>73,890</u>

	<u>\$260,762</u>
--	------------------

EXPENDITURE

Salaries: Executive officers	\$ 29,000	
Others	<u>153,321</u>	
		182,321
Telephone, telegraph and postage		12,918
Rent, light and heat		8,575
Travel		8,016
Printing, stationery and office supplies		1,864
Unemployment insurance		888
Maintenance of office equipment		287
Interest on employees' retirement fund		220
Other expenses		<u>9,118</u>

	<u>224,207</u>
--	----------------

Excess of income over expenditure	<u><u>36,555</u></u>
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CORPORATION COMMERCIALE CANADIENNE

Relevé des recettes et des dépenses de l'année terminée le 31 mars 1954

RECETTES	
Surcharge d'achat de différents	
gouvernements (y compris le	
gouvernement du Canada) et	
d'agences internationales	
Intérêts et autres recettes	73,890
	<u>\$186,872</u>
DEPENSES	
Traitements: Administrateurs	\$ 29,000
Autres	<u>153,321</u>
Téléphone, télégraphe,	
affranchissement	
Loyer, éclairage et chauffage	8,575
Voyages	8,016
Impressions, papeterie et fournitures de bureau	1,864
Assurance-chômage	888
Entretien du matériel de bureau	287
Intérêts sur fonds de retraite des employés	220
Autres dépenses	<u>9,118</u>
	<u>224,207</u>
Excédent des recettes sur les dépenses	<u><u>36,555</u></u>

GENERAL

PASSIF ET CAPITAL

PASSIF	
Dettes passives et intérêts courus	
Avances du gouvernement des Etats-Unis sur des projets	
au Canada	
Crédits différés — surcharge	138,179,809
Fonds des employés, plan d'éparages du personnel:	48,938
Deductions des salaires (avec intérêts), remboursables au	
départ de l'employé, etc.	10,360
CAPITAL ET SURPLUS	
Gouvernement du Canada:	
Avance de capital de roulement fournie	
en vertu de l'article 8 de la Loi sur la	
Corporation commerciale canadienne	10,000,000
Supplis:	
Solde le 31 mars 1953	\$839,326
Excédent des recettes sur les dépenses	
pour l'année terminée le 31 mars 1954, selon	
l'Annexe I	36,555
	875,881
	10,875,881
	156,804,133

D'AGENCE

PASSIF	
Dettes passives	
Clients, pour dépôt de garantie	
OBLIGATIONS ENVERS DES COMMENTANTS	
Représentant les avances d'agences de différents	
gouvernements (Y compris le gouvernement du	
Canada) et certains organismes internationaux	
PASSIF EVENTUEL	
Réclamations non réglées	
Perte possible sur un contrat inachevé	75,000
Évaluation des contributions au Fonds de	
retraite du Service public pour les employés	12,616
qui choisissent de compter l'arrière de service	8,550
	96,166

965,810
11,594,209
12,560,019

Les comptes de la Corporation commerciale canadienne pour l'année financière terminée le 31 mars 1954 ont été examinés sous ma direction dans la mesure jugée appropriée. Tous les renseignements et explications qui ont été nécessaires ont été reçus. J'atteste que le bilan ci-dessus et le relevé ci-joint des recettes et des dépenses sont conformes aux livres de la Corporation et que, sous réserve du remboursement éventuel des pertes non résorbées sur des contrats du gouvernement des Etats-Unis dont rapport a été fait au ministre de la Production de défense, copie ci-joint, ils sont, à mon avis, dûment préparés de façon à donner une idée exacte et juste de l'état des affaires de la Corporation à la date du 31 mars 1954, ainsi que de ses recettes et de ses dépenses pour l'année financière.

L'Auditeur général du Canada.
WATSON SELLAR

A C T I F

En caisse et en banque	\$ 7,918,194
Placements — obligations du gouvernement du Canada au coût amorti de \$186,200 (valeur marchande \$184,870)	189,708
Avances et versements à des fournisseurs pour des projets d'autres gouvernements au Canada	137,418,877
Dettes et réclamations actives	10,141,144
Inventaires de matériel et d'équipement au prix coûtant, comme l'a déterminé et attesté la direction	131,632
Pertes non résorbées sur des contrats du gouvernement des Etats-Unis	1,004,578
	<u>156,804,133</u>

Argent en banque, y compris l'intérêt accumulé	7,830,597
Garantie déposée par un client: obligation du gouvernement du Canada, 2¼%, 1955	100,000
Avances et versements aux fournisseurs, etc.	4,629,422
	<u>12,560,019</u>

Approuvé au nom du Conseil

Le président,
W. D. LOW

Le directeur,
G. W. HUNTER

Monseigneur,
Ottawa, le 16 juin 1954

Objet: Corporation commerciale canadienne

La vérification des comptes de la Corporation commerciale canadienne pour l'année terminée le 31 mars 1954 a été faite. Conformément à l'Article 87 de la Loi sur l'administration financière, je vous soumetts, ci-joint, mon rapport sur l'examen des comptes, ainsi que les états financiers ci-annexés.

Pertes non résorbées sur des contrats du gouvernement des Etats-Unis \$1,004,578.00

Le solde du compte susmentionné provient principalement de pertes subies sur des contrats à prix ferme en vertu desquels des approvisionnements achetés de fournisseurs canadiens ont été fournis au gouvernement des Etats-Unis sur une base de "dollar contre dollar" sans tenir compte de la dépréciation de la monnaie des Etats-Unis par rapport au dollar canadien.

Le compte comprend également, à ce jour, une perte de \$198,884.00, sur un contrat avec le gouvernement des Etats-Unis pour certaines munitions. Comme la perte globale évaluée sur ce contrat peut être de \$211,500.00, le solde de \$12,616.00 est porté au bilan sous le poste de "passif éventuel". On en a appelé au gouvernement des Etats-Unis pour faire compenser cette perte.

Il est entendu que toutes pertes, y compris les pertes nettes résultant des fluctuations des taux de change, peuvent être récupérées à même les bénéfices excédentaires ou les remboursements qui peuvent être obtenus à la suite de nouvelles négociations.

Rien n'a été prévu dans les comptes pour les pertes subies à ce jour.

Compte tenu de ce qui précède, je certifie que, à mon avis, la Corporation a tenu des livres de comptes appropriés;

2. les états financiers ont été préparés sur une base compatible avec celle de l'année précédente et ils s'accordent avec les livres de comptes; aussi, le bilan et le relevé des recettes et des dépenses qui l'accompagne donnent une idée exacte et juste de l'état des affaires de la Corporation à la date du 31 mars 1954 et des résultats des opérations de la Corporation pour l'année financière; et

3. les transactions de la Corporation dont j'ai pris connaissance tombaient sous la juridiction de la Corporation en vertu de la Loi sur l'administration financière, de la Loi sur la Corporation commerciale canadienne et de toute autre loi applicable à la Corporation.

Bien sincèrement,

L'Auditeur général du Canada,
(Signature) Watson Sellar.

Le très honorable C. D. Howe,
Ministre de la Production de défense,
Ottawa (Ontario).

nel administratif du siège social à Ottawa (Canada) et de son bureau à Washington (D.C.)

Finances

Les pages qui suivent présentent le bilan de la Corporation, arrêté au 31 mars 1954, et le relevé des recettes et des dépenses de l'exercice financier terminé à cette date, dûment attesté par le rapport de l'Auditeur général.

Les contributions du Canada aux pays du Traité de l'Atlantique-Nord se sont poursuivies durant l'année; on s'est adressé à la Corporation pour qu'elle s'occupe de négocier des contrats et d'en surveiller l'administration, contrats d'une valeur globale de \$88,000,000.00 portant sur des munitions, du matériel électronique, de l'équipement d'avions et d'autres fournitures à expédier à six pays de l'OTAN.

Organismes des Nations Unies

La valeur globale des approvisionnements qui ont fait l'objet de contrats et que la Corporation a expédiés durant l'année financière aux trois organismes des Nations déjà mentionnés a atteint \$2,242,590.00. En exécution de ces programmes, la Corporation a expédié ce qui suit:

Agence pour la reconstruction de la Corée: bois de construction, papier-journal, papier filigrané et papier d'impression, contre-plaques, bois dur, varlopes et scies, sondeurs par le son, pompes centrifuges et matrices à diamants.

Fonds international pour le secours à l'enfance: médicaments et matériel chirurgical.

Agence pour les travaux et le relèvement: farine.

Royaume-Uni

Les achats faits au Canada et expédiés pour le compte du ministère de la Guerre, de l'Armairauté et du ministère de la Santé du Royaume-Uni ont atteint \$1,156,000.00 durant l'année financière. Les articles achetés ont compris de la farine du Canada et du vaccin contre le typhus.

Autres transactions

La Corporation a continué d'agir à titre d'agent de ventes d'exportation de la société *Canadian Arsenals Limited*, société appartenant entièrement au gouvernement du Canada. A ce titre, elle a négocié la vente d'approvisionnements de défense à certains pays de l'OTAN pour leur permettre de remplir des commandes que leur avait passées le gouvernement des Etats-Unis en vertu de son programme de secours à l'Europe. Durant l'exercice financier, ces ventes se sont élevées à \$1,324,500.00.

Au nom du ministère des Affaires extérieures, la Corporation a acheté et expédié en Grèce, à titre de secours à la suite du désastre causé par le tremblement de terre dans ce pays, de la morue salée et séchée, du lait évaporé et des matériaux de construction d'une valeur de \$500,000.00. La Corporation a également acheté et expédié à la Corée du Sud, de la part du ministère des Affaires extérieures, de la morue salée et séchée d'une valeur de \$750,000.00 à titre de contribution à ce pays.

Personnel

Le personnel de la Corporation, à la date du 31 mars 1954, se chiffrait par 50 personnes, y compris tout l'exécutif et le person-

et pour les ministères suivants du gouvernement du Canada:

Ministère de la Production de défense

Ministère du Commerce (Administration du Plan de Colombo)

Ministère de la Défense nationale (Contributions à l'OTAN)

Ministère des Affaires extérieures (Secours à la Grèce et à la Corée du Sud)

Valeur globale des exportations et des importations

La valeur globale des approvisionnements, services et produits pour lesquels la Corporation a passé des contrats durant l'année financière s'est élevée à \$168,921,000.00, y compris des matières d'importance stratégique d'une valeur de \$1,920,985.00 que la Corporation a importées pour le compte du ministre de la Production de défense. On donne ci-après certains détails sur les affaires conclues.

Ventes aux ministères militaires des Etats-Unis

Sur la somme précitée de \$168,921,000.00, le montant de \$38,474,000.00 représente des ventes faites aux ministères militaires des Etats-Unis, accusant un recul considérable par rapport aux \$207,254,605.00 des ventes faites à ces ministères durant la précédente année financière. Plusieurs contrats passés précédemment ont été résiliés en partie ou en entier par ces ministères durant l'exercice financier.

Dans ces cas, les ministères remettent à la Corporation les versements appropriés pour payer les réclamations de résiliation. Le plus important des contrats résiliés visait un certain nombre d'avions pour l'aviation des Etats-Unis, avions valant approximativement \$105,000,000.00. Les réclamations à la suite de cette résiliation sont en voie de règlement; on prévoit qu'elles seront terminées durant la dernière partie de 1954. L'aviation des Etats-Unis a résilié en partie un autre contrat d'avions, la partie résiliée représentant \$2,076,500.00. Le *United States Army Ordnance Corps* a résilié partie de quatre contrats visant des fournitures de défenses; les parties résiliées s'évaluent approximativement à \$8,120,000.00.

Plan de Colombo

La Corporation, au nom de l'Administration du Plan de Colombo, a passé des contrats pour des approvisionnements, des services et des projets évalués à \$30,570,000.00, qui ont trait aux contributions du Canada aux gouvernements de l'Inde, du Pakistan et de Ceylan. Ces contrats comprennent ce qui suit:

Outilsillage agricole
 Avions (spécialement munis de
 vaporisateurs contre les
 sauterelles)
 Engins pour la pêche hauturière
 Locomotives diesel
 Centrale électrique
 Services de génie
 Locomotives à vapeur
 Usine de réfrigération
 Camions de livraison
 Outils mécaniques
 Chaudières de locomotive
 Matériel d'irrigation
 Matériel hydroélectrique

mandes passées par la Corporation aux divisions des achats et de la production du ministère de la Production de Défense ou à la *Defence Construction* (1951) *Limited*, société de la Couronne relevant du ministre de la Production de défense, après que la Corporation a pris les dispositions nécessaires pour faire le plus grand nombre possible d'achats de sources canadiennes et qu'elle a réglé avec le gouvernement, le ministère ou l'organisation internationale de destination tous les termes du contrat y compris les spécifications, le prix, la livraison, le mode de paiement et les conditions générales de vente. Les crédits pour les marchandises, services et projets sont fournis par le gouvernement, l'organisation internationale ou le ministère du gouvernement canadien intéressé, et la Corporation, à son tour, effectue ou approuve le paiement qui doit être fait aux fournisseurs canadiens.

Durant les précédents exercices financiers, une grosse partie des affaires de la Corporation portaient sur l'achat d'approvisionnement de défense pour le compte des ministères de l'Armée, de la Marine et de l'Aviation des États-Unis. Durant la dernière année financière, ces achats pour le compte du gouvernement des États-Unis ont baissé considérablement, comme on pourra le constater un peu plus loin dans le présent rapport, mais ce recul a en partie été contrebalancé par les affaires de la Corporation pour le compte du Plan de Colombo et de l'Organisation du traité de l'Atlantique-Nord.

La Corporation a fait connaître à l'industrie canadienne les appels d'offre reçus des ministères militaires des États-Unis. La Corporation reçoit de telles demandes parce qu'elle s'est occupée de faire inscrire son nom sur certaines listes de distribution dressées par ces ministères. Ces appels d'offres ont donné lieu à beaucoup d'affaires et la Corporation continue d'intéresser l'industrie canadienne à soumettre des offres concurrentiellement, pour répondre à ces besoins.

Durant l'année financière terminée le 31 mars 1954, la Corporation a acheté des marchandises, des denrées et des services au Canada et a passé des contrats au Canada pour différents projets, pour le compte des gouvernements et organisations internationales dont la liste suit:

Australie	Suède
Belgique	Suisse
Bermudes	Royaume-Uni
Ethiopie	États-Unis
Pays-Bas	Fonds international des Nations Unies pour le secours à l'enfance (UNICEF)
Inde	Agence des Nations Unies pour l'assistance à la Corée (UNKRA)
Israël	Agence des Nations Unies pour les réfugiés
Italie	Unies pour les réfugiés
Pakistan	Unies pour les réfugiés
Portugal	vaut et le relèvement

RAPPORT ANNUEL DE LA

CORPORATION COMMERCIALE CANADIENNE

pour l'année financière terminée le 31 mars 1954.

La Corporation commerciale canadienne a été établie en 1946, par une Loi du Parlement du Canada, à titre de société de la Couronne appartenant entièrement au gouvernement du Canada.

Les fonctions de la Corporation sont d'aider à développer le commerce entre le Canada et les autres pays, d'écouler des marchandises et des denrées que le Canada a à exporter et d'agir au nom du ministre de la Production de défense et autres, comme le prévoit les statuts du Canada. Dans l'exécution de ces fonctions la Corporation importe des produits au Canada et en exporte, soit à titre de commettant, soit à celui d'agent et elle se conforme aux directives du Gouverneur en conseil ou du ministre de la Production de défense.

Les principales fonctions que la Corporation a exercées durant l'année financière peuvent se ranger dans les catégories suivantes:

1. L'achat de marchandises et de denrées au Canada pour les gouvernements d'autres pays et l'expédition de ces produits vers ces pays.

2. L'achat de marchandises et de denrées pour les agences suivantes des Nations Unies: l'Agence des Nations Unies pour les travaux et le relèvement, le Fonds international pour le secours à l'enfance et l'Agence pour la reconstruction de la Corée.

3. L'achat de marchandises, de denrées et de services et l'adjudication de contrats visant divers projets, au nom de la Division de la coopération économique et technique internationale du ministère du Commerce, à titre de contribution que le Canada a versée aux gouvernements de l'Inde, de Ceylan et du Pakistan sous les auspices du Plan de Colombo.

4. L'achat d'approvisionnements faisant partie de la contribution du Canada à l'Organisation du traité de l'Atlantique-Nord et l'expédition de ces approvisionnements vers les pays de destination.

5. L'achat de marchandises et de denrées pour le compte d'autres ministères du gouvernement du Canada, aux fins d'exportation.

6. L'importation de matériel d'importance stratégique pour le ministère de la Production de défense.

Les affaires globales gérées par la Corporation s'élevaient, au 31 mars 1954, à environ \$196,330,000.00 ce qui représentait la valeur de marchandises, de denrées et de services non encore livrés ou de projets non terminés.

Les contrats visant l'achat de marchandises, de denrées et de services ou l'exécution de projets sont faits au moyen de com-

CORPORATION COMMERCIALE CANADIENNE
Ottawa (Canada)

le 16 juin, 1954.

Le Très Honorable C. D. Howe,
Ministre de la Production de défense,
OTTAWA (Ontario)

Monsieur le Ministre,

Conformément à l'Article 13 (1) de la Loi sur la Corporation commerciale canadienne de 1946, j'ai l'honneur de vous soumettre le Rapport annuel de la Corporation commerciale canadienne, ainsi que le Bilan et le Relevé des recettes et des dépenses, après vérification de l'Auditeur général du Canada, pour l'année terminée le 31 mars 1954.

Votre dévoué serviteur,

Le Président,

(Signature) W. D. LOW.

CORPORATION COMMERCIALE CANADIENNE

Société appartenant entièrement au gouvernement du Canada

Etablie par la Loi sur la Corporation commerciale canadienne.
Statuts du Canada 1946, 10 George VI, c. 40, modifiée
par les Statuts du Canada 1947, II George VI, c. 51,
Statuts du Canada 1949, 13 George VI, c. 2,
Statuts du Canada 1950, 14 George VI, c. 51 et
Statuts du Canada 1951, 15 George VI, c. 13.

DIRECTEURS ET ADMINISTRATEURS, LE 31 MARS 1954

PRESIDENT

M. W. D. LOW

DIRECTEURS

M. T.-N. BRAVURE,
Sous-ministre adjoint,
Ministère de la Production
de défense.

M. D. M. ERSKINE,
Directeur, Division générale
des achats,
Ministère de la Production
de défense.

M. D. A. GOLDEN,
Sous-ministre adjoint,
Ministère de la Production
de défense.

M. G. W. HUNTER,
Conseiller financier,
Ministère de la Production
de défense.

M. FINLAY SIM,
Contrôleur-secrétaire,
Ministère du Commerce.

ADMINISTRATEURS

M. W. D. LOW,
Président

M. F. F. WADDILL,
Secrétaire et conseiller juridique

M. G. F. WEVILL,
Contrôleur

SIEGE SOCIAL

Edifice temporaire no. 4, 56, rue Lyon,
OTTAWA (Ontario)

BUREAU REGIONAL
Washington (D.C.)

CORPORATION
COMMERCIALE CANADIENNE



HUITIEME RAPPORT ANNUEL
AU

MINISTRE DE LA PRODUCTION DE DEFENSE

DU 1ER AVRIL 1953 AU 31 MARS 1954

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DP 73
- A 56

Government
Publications

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~~C53~~
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CANADIAN
COMMERCIAL CORPORATION



NINTH ANNUAL REPORT
TO THE
MINISTER OF DEFENCE PRODUCTION

APRIL 1, 1954 TO MARCH 31, 1955

CANADIAN COMMERCIAL CORPORATION

A Company wholly owned by the Government of Canada

Established by Canadian Commercial Corporation Act,
Statutes of Canada 1946, 10 George VI Chap. 40 as amended
by Statutes of Canada 1947, II George VI, Chap. 51,
Statutes of Canada 1949, 13 George VI, Chap. 2,
Statutes of Canada 1950, 14 George VI, Chap. 51 and
Statutes of Canada 1951, 15 George VI, Chap. 13.

DIRECTORS AND OFFICERS AS OF MARCH 31, 1955.

PRESIDENT

W. D. LOW

DIRECTORS

D. M. ERSKINE,
*Director, General Purchasing Branch,
Department of Defence Production*

G. W. HUNTER,
*Assistant Deputy Minister,
Department of Defence Production.*

W. H. HUCK,
*Assistant Deputy Minister,
Department of Defence Production.*

FINLAY SIM,
*Comptroller-Secretary,
Department of Trade and Commerce.*

A. B. HUNT,
*Director, Electronics Branch,
Department of Defence Production.*

T. E. STEPHENSON,
*Director, Aircraft Branch,
Department of Defence Production.*

OFFICERS

W. D. LOW,
President

F. F. WADDELL,
Secretary and Legal Adviser

G. F. WEVILL,
Comptroller

HEAD OFFICE

No. 4 Temporary Building, 56 Lyon Street,
Ottawa, Ontario

BRANCH OFFICE

2450 Massachusetts Ave.
Washington, D.C.

June 16, 1955.

The Right Honourable C. D. Howe,
Minister of Defence Production,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Income and Expenditure, as audited by the Auditor General of Canada, covering the year ending March 31, 1955.

Yours faithfully,

(Signed) W. D. LOW
President.

ANNUAL REPORT
OF
CANADIAN COMMERCIAL CORPORATION

Fiscal year ending March 31, 1955

Canadian Commercial Corporation was established in the year 1946 by Act of the Parliament of Canada as a Crown Corporation wholly owned by the Government of Canada.

The purposes of the Corporation are to assist in the development of trade between Canada and other nations, to dispose of goods and commodities that are available for export from Canada and to act for the Minister of Defence Production and others in the manner provided by statutes of Canada. In carrying out the foregoing purposes, the Corporation imports supplies into, and exports supplies from, Canada either as principal or agent and complies with any direction given by the Governor in Council or the Minister of Defence Production.

The principal activities of the Corporation during the fiscal year can be divided into the following categories:

1. The purchase of goods and commodities in Canada for the governments of other countries, and shipment to such countries.
2. The purchase of goods and commodities for the following agencies of the United Nations: the United Nations Works and Rehabilitation Agency, International Children's Emergency Fund, and Korean Reconstruction Agency.
3. The purchase of goods, commodities and services and the placing of contracts for various projects on behalf of the International Technical and Co-operation Division of the Department of Trade and Commerce as Canada's contribution to the Governments of India, Ceylon, Pakistan, and Cambodia under the auspices of the Colombo Plan.
4. The purchase and shipment to recipient countries of supplies included in Canada's contribution to the North Atlantic Treaty Organization.
5. The purchase of goods and commodities for other Departments or Agencies of the Government of Canada for export.
6. The importing of strategic materials for the Department of Defence Production.

The total business under administration by the Corporation as at March 31, 1955 amounted to approximately \$132,000,000 which represents the value of goods, commodities, services and projects to be delivered or completed.

Deliveries during the year as reflected by suppliers' invoices received by the Corporation, totalled \$132,723,000. The corresponding figure for the previous fiscal year was \$141,077,000.

Contracts for supplies and services and for the carrying out of projects are, for the most part, arranged by means of requisitions placed by the Corporation with the purchasing and production branches of the Department of Defence Production or with Defence Construction (1951) Limited, a Crown company responsible to the Minister of Defence Production, after the Corporation has arranged

for maximum procurement from Canadian sources, and has settled with the recipient government, department or international organization all the terms of contract, including specifications, price, delivery, method of payment and general conditions of sale. Funds for the supplies, services and projects are made available by the recipient government, international organization or Canadian Government department, and the Corporation in turn makes or approves payment to the Canadian supplier.

During the fiscal year ending March 31, 1955 the Corporation purchased supplies and services in Canada, and placed contracts in Canada for various projects, for the following governments and international organizations:

Australia	Pakistan
Belgium	Portugal
Bermuda	United Kingdom
Greece	United States
Holland	United Nations International Children's Emergency Fund
India	(UNICEF)
Israel	United Nations Korean Reconstruction Agency (UNKRA)
Italy	United Nations Works & Rehabilitation Agency (UNWRA)
Norway	

and for the following departments of the Government of Canada:

Department of Defence Production
Department of Trade and Commerce (Colombo Plan Administration)
Department of National Defence (NATO Contributions)
Department of External Affairs (Haiti Relief)

TOTAL VALUE OF EXPORTS AND OTHER TRANSACTIONS

The total value of supplies, services and projects contracted for by the Corporation during the fiscal year amounted to \$92,981,700.

UNITED STATES MILITARY DEPARTMENTS

Of the above mentioned sum of \$92,981,700 the sum of \$58,930,000 represents contracts entered into with the United States Military Departments, being an increase from \$38,474,000 in the previous fiscal year. These contracts were made up largely of aircraft and spares, modifications and overhaul of aircraft engines, chemicals, explosives, petroleum products, radar and signalling equipment and other communication systems, including further equipment and services for the joint Canada-United States radar warning project known as "Pinetree".

COLOMBO PLAN

The Corporation, on behalf of the Colombo Plan Administration, entered into contracts for supplies, services and projects valued at \$10,648,000 in connection with Canada's contributions to the Governments of India, Pakistan, Ceylon and Cambodia. These include mobile veterinary service clinic, flour, workshops equipment, engineering services and electrical equipment for hydro electric and irrigation projects, tractor school training equipment, stores for a fisheries project, diesel locomotives, agricultural equipment, laboratory equipment for a university project and mobile dispensaries.

NORTH ATLANTIC TREATY ORGANIZATION

Canada's contributions to the countries of the North Atlantic Treaty Organization continued during the year, and the Corporation was called upon to

arrange and administer contracts having a total value of \$17,286,000 covering aircraft equipment and spares, explosives, ammunition components and other supplies for shipment to ten NATO countries.

UNITED NATIONS AGENCIES

The total value of supplies contracted for during the fiscal year for three agencies of the United Nations referred to above amounted to \$319,990 consisting of operating room and laboratory equipment and supplies, tires and tubes, medical instruments and supplies such as thermometers, hypodermic needles and dressings, vitamin and fish liver oil capsules, steel bars and wire rods, dried whole milk, school supplies and workshop tools.

UNITED KINGDOM

Purchases made in Canada and shipped on behalf of the United Kingdom War Office, the Admiralty, and the Ministry of Health totalled \$1,177,000 in the fiscal year. The items purchased included Canadian wheat and flour and typhus vaccine.

OTHER TRANSACTIONS

The Corporation continued to act for Canadian Arsenals Limited (a Company wholly owned by the Government of Canada) as an export sales agent and in this capacity negotiated sales of defence supplies to various NATO countries to a value of \$1,917,500.

On behalf of the Department of External Affairs the Corporation purchased and shipped \$25,000 worth of dried salt codfish to Haiti as a relief measure following the hurricane "Hazel" disaster in that country.

Sales to the foreign and Commonwealth countries mentioned above, other than the United Kingdom and the United States, amounted to \$2,378,210.

The Corporation imported strategic materials during the fiscal year to a value of \$300,000.

STAFF

The staff of the Corporation as at March 31, 1955 totalled 52 persons including all executive officers and administrative personnel at its head office in Ottawa, Canada, and at its office in Washington, D.C.

ACCOUNTS

The balance sheet of the Corporation as at March 31, 1955 and statement of income and expenditure for the year ended that date, duly certified and approved, with report by the Auditor-General, are set out on the following pages.

Ottawa, June 16, 1955.

The Right Honourable C. D. Howe,
Minister of Defence Production,
O t t a w a .

Sir:

The accounts and financial statements of Canadian Commercial Corporation have been examined for the year ended March 31, 1955 and a set of financial statements is enclosed. In compliance with the requirements of section 87 of the Financial Administration Act, I now report that in my opinion:

- (a) proper books of account have been kept by the Corporation;
- (b) the financial statements of the Corporation
 - (i) were prepared on a basis consistent with that of the preceding year and are in agreement with the books of account,
 - (ii) in the case of the balance sheet, give a true and fair view of the state of the Corporation's affairs as at the end of the financial year, and
 - (iii) in the case of the statement of income and expense, give a true and fair view of the income and expense of the Corporation for the financial year; and
- (c) the transactions of the Corporation that have come under my notice have been within the powers of the Corporation under the Canadian Commercial Corporation Act and the Financial Administration Act.

Yours faithfully,

(Signed) J. HOPKINSON,
Assistant Auditor General.

CANADIAN COMMERCE

(Incorporated under the Canadian Companies Act)

Balance Sheet as at December 31, 1937

GENERAL

ASSETS

Cash on hand and in bank	\$ 9,325,110
Investments — \$186,200 Government of Canada Bonds, at amortized cost (market value \$189,937)	189,302
Advances and progress payments to suppliers on projects in Canada of other governments	135,186,378
Accounts and claims receivable	3,332,096
Unabsorbed losses on United States Government contracts	95,794

148,128,680

AGENCY

Cash in bank	2,859,347
Security deposit by customer — Government of Canada Bonds	150,000
Advances and progress payments to suppliers	7,989,983
	<u>10,999,330</u>

Certified Correct

Approved

(Sgd.) G. F. WEVILL
Comptroller

(Sgd.) W. D. LOW
President

IAL CORPORATION

(Commercial Corporation Act)

March 31, 1955

ACCOUNT

LIABILITIES

Accounts payable and accrued liabilities	\$ 3,828,365
Advance payments by United States Government on projects in Canada	133,251,256
Deferred credits — surcharge	19,190
Employees' funds — staff savings, etc.	2,097

CAPITAL AND SURPLUS

Government of Canada — advance for working capital provided under section 8 of the Canadian Commercial Corporation Act	\$10,000,000
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SURPLUS:

Balance as at March 31, 1954	\$875,881		
Prior years' adjustment for profit on exchange	105,584		
Excess of Income over expense for the year ended March 31, 1955, per Schedule 1	<u>46,307</u>	<u>1,027,772</u>	<u>11,027,772</u>
			<u><u>148,128,680</u></u>

ACCOUNT

Accounts payable	487,110
Customer for security deposit	150,000
Obligations to Principals — representing ad- vances from agencies of various governments (including Canada) and certain internati- onal bodies	<u>10,362,220</u>
	<u><u>10,999,330</u></u>

CONTINGENT LIABILITIES

Claims pending	<u><u>233,747</u></u>
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Certified in accordance with my report dated June 16, 1955 to the
Minister of Defence Production under section 87 of the Financial Administration
Act.

(Sgd.) J. HOPKINSON
Assistant Auditor General of Canada.

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expense for the year ended March 31, 1955

INCOME

Purchase surcharge from various governments (including Canada) and international agencies	\$240,165	
Interest and other income	<u>71,690</u>	\$311,855

EXPENSE

Salaries: Executive officers	\$ 30,500	
Others	<u>173,504</u>	204,004
Contributions to Employees' Superannuation, Death Benefit and Unemployment Insurance	21,595	
Telephone, telegraph and postage	13,412	
Travel	11,441	
Rent, light and heat	10,605	
Printing, stationery and office supplies	2,645	
Other expenses	<u>1,846</u>	265,548
Excess of income over expense, per Balance Sheet		<u><u>46,307</u></u>

CORPORATION COMMERCIALE CANADIENNE

Etat des recettes et des dépenses pour l'exercice terminé le 31 mars 1955

RECETTES

Excédent du prix d'achat obtenu de divers gouvernements (y compris celui du Canada) et d'organismes internationaux \$ 240,165

Intérêts et autres recettes 71,690

\$ 311,855

DEPENSES

Salaires: membres de l'exécutif \$ 30,500
autres 173,504

204,004

Contributions à la caisse de pension des employés, à la caisse de prestations au décès et à la caisse d'assurance-chômage 21,595

Téléphone, télégraphe et port 13,412

Voyages 11,441

Loyers, lumière et chauffage 10,605

Impressions, papeterie et fournitures de bureau 2,645

Autres 1,846

265,548

46,307

Excédent des recettes sur les dépenses, voir Bilan

P A S S I F

Dettes passives et passif couru	\$ 3,828,365
Paiements anticipés du gouvernement des Etats-Unis sur projets au Canada	133,251,256
Credits différés — excédent du prix d'achat	19,190
Fonds des employés — épargne du personnel, etc.....	2,097

CAPITAL ET SURPLUS:

Gouvernement du Canada — avance de capitaux d'exploitation sous le régime de l'article 8 de la Loi sur la Corpo- ration commerciale canadienne

10,000,000

SURPLUS:

Solde au 31 mars 1954.....	\$875,881
Adjustement au compte des années antérieures,-bénéfices sur le change.....	105,584
Excédent des recettes sur les dépenses pour l'exercice terminé le 31 mars 1955 (voir Annexe I)	46,307
1,027,772	
11,027,772	
148,128,680	

AGENCE

Dettes passives	487,110
Envers client, valeurs déposées	150,000
Obligations envers des mandants — au titre d'avances reçues d'agences de divers gou- vernements (y compris celui du Canada) et de certains organismes internationaux ..	10,362,220
10,999,330	

PASSIF EVENTUEL

Réclamations pendantes	233,747
------------------------------	---------

Certifié conforme à mon rapport du 16 juin 1955 au ministre de la Production de défense sous le régime de l'article 87 de la Loi sur l'administration financière.

(signé) J. HOPKINSON,

Auditeur général adjoint du Canada.

A C T I F

.....\$ 9,325,110	Espèces en caisse et en banque
.....	Placements — Obligations du gouvernement du Canada, \$186,200, coût amorti (valeur marchande, \$189,937)
189,302	.....
.....	Avances et paiements provisoires à des fournisseurs, à compte de projets, au Canada, d'autres gouvernements
135,186,378	.....
3,332,096	Dettes et réclamations actives
.....	Pertes non absorbées sur contrats du gouvernement des États-Unis
95,794	.....

148,128,680

2,859,347	.....	Espèces en banque
150,000	.....	Valeurs déposées par client — Obligations du gouvernement du Canada
7,989,983	.....	Avances et paiements provisoires à des fournisseurs
<u>10,999,330</u>		

Certifié exact

(signé) G. F. WEVILL
Contrôleur

Approuvé:

(signé) W. D. LOW
Président

Le très hon. C. D. Howe,
Ministre de la Production de défense,
O t t a w a .

Monsieur,

Après un examen des comptes et des états financiers de la Corporation commerciale canadienne pour l'exercice terminé le 31 mars 1955, je vous envoie ci-joint une série des états financiers en question.

Ainsi que l'exige l'article 87 de la Loi sur l'administration financière, je déclare que, à mon avis

- a) la Corporation a tenu les livres de comptabilité appropriés;
- b) les états financiers de la Corporation

- (i) ont été préparés sur une base compatible avec celle de l'année précédente et sont conformes aux livres de comptabilité,
- (ii) dans le cas du bilan, ils présentent de façon exacte et fidèle la situation de la Corporation à la fin de l'exercice financier, et
- (iii) dans le cas de l'état des recettes et des dépenses, ils donnent une idée exacte et fidèle des recettes et des dépenses de la Corporation pendant l'exercice financier, et

c) les opérations de la Corporation qui sont venues à ma connaissance étaient dans les limites de la compétence que lui accordent la Loi sur la Corporation commerciale canadienne et la Loi sur l'administration financière.

Votre tout dévoué,

(signé) J. HOPKINSON,

Auditeur général adjoint.

Ottawa, le 16 juin 1955.

mobile pour services vétérinaires, de la farine, du matériel d'ateliers, des services de génie et du matériel électrique pour des projets d'installations hydroélectriques et d'irrigation, du matériel de formation pour école sur les tracteurs, des approvisionnements pour un projet visant l'industrie de la pêche, des locomotives diesel, de l'outillage agricole, du matériel de laboratoire pour un projet d'université et des dispensaires mobiles.

ORGANISATION DU TRAITE DE L'ATLANTIQUE NORD

Les contributions du Canada aux pays signataires du Traité de l'Atlantique Nord se sont poursuivies au cours de l'année, et la Corporation a été appelée à s'occuper de négocier des contrats et d'en surveiller l'exécution. Ces contrats, d'une valeur totale de \$17,286,000, ont compris du matériel et des pièces d'avions, des explosifs, des pièces composantes de munitions et d'autres approvisionnements à expédier à dix pays de l'OTAN.

INSTITUTIONS DE L'ORGANISATION DES NATIONS UNIES

La valeur globale des approvisionnements visés par des contrats passés au cours de l'année financière pour le compte des trois organismes précités des Nations Unies a atteint \$319,990. Ces approvisionnements ont compris du matériel et des fournitures de salle d'opération et de laboratoire, des pneus et chambres à air, des fournitures et instruments médicaux tels que thermomètres, aiguilles hypodermiques et pansements, capsules de vitamines et d'huile de foie de poisson, des barres en acier et des tiges en fil de fer, du lait entier desséché, des fournitures d'école et des outils d'ateliers.

ROYAUME-UNI

Les achats faits au Canada et expédiés pour le compte du ministère de la Guerre, de l'Armairauté et du ministère de la Santé du Royaume-Uni ont atteint \$1,177,000 au cours de l'année financière. Les articles achetés ont compris du blé et de la farine du Canada et du vaccin contre le typhus.

AUTRES OPERATIONS

La Corporation a continué d'agir en qualité d'agent de ventes d'exportation de la société *Canadian Arsenals Limited* (société appartenant entièrement au gouvernement du Canada) et, à ce titre, elle a négocié la vente à divers pays de l'OTAN, d'approvisionnements de défense au montant de \$1,917,500.

Au nom du ministère des Affaires extérieures, la Corporation a acheté et expédié à Haïti, pour lui venir en aide à la suite des dommages causés par l'ouragan "Hazel", de la morue salée et séchée pour un montant de \$25,000.

Les ventes aux pays étrangers et aux pays du Commonwealth mentionnés ci-dessus, autres que le Royaume-Uni et les Etats-Unis, se sont élevées à \$2,378,210. La Corporation a importé, au cours de l'année, du matériel d'importance stratégique pour un montant de \$300,000.

PERSONNEL

Le personnel de la Corporation, à la date du 31 mars 1955, se chiffrait par 52 personnes, y compris tout l'exécutif et le personnel administratif du siège social à Ottawa (Canada) et du bureau de Washington (D.C.).

ETAT FINANCIER

On trouvera aux pages qui suivent le bilan de la Corporation, arrêté au 31 mars 1955, et l'état des recettes et des dépenses de l'exercice financier terminé à la même date, dûment attestés et approuvés, ainsi que le rapport de l'Auditeur général.

Production de défense ou à la *Defence Construction* (1951) *Limited*, société de la Couronne relevant du ministre de la Production de défense, après avoir pris les dispositions nécessaires pour obtenir tout ce qui est possible de sources canadiennes et avoir réglé avec le gouvernement, le ministre ou l'organisme international destinataire tous les termes du contrat y compris les spécifications, le prix, les délais de livraison, le mode de paiement et les conditions générales de vente. Les fonds reçus pour ces approvisionnements, services et projets sont fournis par le gouvernement, l'organisme international ou le ministre du gouvernement canadien destinataire, et la Corporation, à son tour, effectue ou approuve le paiement au fournisseur canadien.

Au cours de l'année financière, terminée le 31 mars 1955, la Corporation a acheté des approvisionnements et des services au Canada, et a passé au Canada des contrats relatifs à différents projets, pour le compte des gouvernements des pays et pour les organismes internationaux dont la liste suit:

Australie	Royaume-Uni
Belgique	Etats-Unis
Bermudes	Fonds international des Nations Unies pour le secours à l'enfance
Grèce	(FISE)
Hollande	Agence des Nations Unies pour le relèvement de la Corée
Inde	(UNKRA)
Israël	Agence des Nations Unies pour les travaux et le relèvement
Italie	(UNWRA)
Norvège	
Pakistan	
Portugal	

et pour les ministères suivants du gouvernement du Canada:

Ministère de la Production de défense
Ministère du Commerce (Administration du Plan de Colombo)
Ministère de la Défense nationale (Contributions à l'OTAN)
Ministères des Affaires extérieures (Secours à Haïti)

VALEUR GLOBALE DES EXPORTATIONS ET AUTRES OPERATIONS

La valeur globale des approvisionnements, services et projets pour lesquels la Corporation a passé des contrats durant l'année financière, s'est élevée à \$92,981,700.

MINISTÈRES MILITAIRES DES ETATS-UNIS

De la somme précitée de \$92,981,700, \$58,930,000 représentent des contrats conclus avec des ministères militaires des Etats-Unis, soit une augmentation de \$38,474,000 par rapport à l'année financière précédente. Ces contrats visaient surtout des avions et leurs pièces, la modification et la remise en état de moteurs d'avions, des produits chimiques, des explosifs, des produits du pétrole, du matériel de radar et de signalisation et d'autres systèmes de communication, dont du matériel et des services supplémentaires pour le projet conjoint d'alerte par radar du Canada et des Etats-Unis, connu sous le nom de "Pinetree".

PLAN DE COLOMBO

La Corporation a passé, pour le compte de l'Administration du Plan de Colombo, des contrats d'une valeur de \$10,648,000 pour des approvisionnements, des services et des projets relatifs aux contributions du Canada aux gouvernements de l'Inde, du Pakistan, de Ceylan et du Cambodge. Ces contrats visaient une clinique

RAPPORT ANNUEL DE LA

CORPORATION COMMERCIALE CANADIENNE

pour l'année financière terminée le 31 mars 1955.

La Corporation commerciale canadienne a été établie en 1946, par une Loi du Parlement du Canada, à titre de société de la Couronne appartenant entièrement au gouvernement du Canada.

Les fonctions de la Corporation sont d'aider à développer le commerce entre le Canada et les autres pays, d'écouler des marchandises et des denrées que le Canada a à exporter et d'agir au nom du ministre de la Production de défense et autres, comme le prévoient le statuts du Canada. Dans l'exécution de ces fonctions, la Corporation importe au Canada, et exporte du Canada, des produits à titre soit de commettant, soit d'agent, et elle se conforme aux directives du Gouverneur en conseil ou du ministre de la Production de défense.

Les principales fonctions que la Corporation a exercées au cours de l'année financière peuvent se ranger dans les catégories suivantes:

1. L'achat de marchandises et de denrées au Canada pour les gouvernements d'autres pays et l'expédition de ces produits vers les pays destinataires.

2. L'achat de marchandises et de denrées pour les agences suivantes des Nations Unies: l'Agence des Nations Unies pour les travaux et le relèvement, le Fonds international de secours à l'enfance et l'Agence pour le relèvement de la Corée.

3. L'achat, pour le compte de la Division de la coopération économique et technique internationale du ministère du Commerce, de marchandises, de denrées et de services, et l'adjudication, au nom de cette même division, de contrats visant divers projets, en vue de la contribution fournie par le Canada aux gouvernements de l'Inde, de Ceylan, du Pakistan et du Cambodge sous les auspices du Plan de Colombo.

4. L'achat, et l'expédition aux pays destinataires, des approvisionnements compris dans la contribution du Canada à l'Organisation du Traité de l'Atlantique Nord.

5. L'achat pour le compte d'autres ministères ou agences du gouvernement du Canada de marchandises et de denrées aux fins d'exportation.

6. L'importation de matériel d'importance stratégique pour le ministère de la Production de défense.

Les affaires gérées par la Corporation le 31 mars 1955 s'élevaient, au total, à quelque \$132,000,000. Ce chiffre représentait la valeur des marchandises, denrées et services non encore livrés et des projets non terminés.

Les livraisons, indiquées aux factures que la Corporation a reçues des fournisseurs, se sont établies, pour l'année, à \$132,723,000. Le chiffre correspondant de l'année précédente était \$141,077,000.

Dans la plupart des cas, les contrats visant des approvisionnements, des services ou l'exécution de projets sont passés à la suite de réquisitions que la Corporation remet aux divisions d'achat et de production du ministère de la

CORPORATION COMMERCIALE CANADIENNE
Ottawa (Canada)

le 16 juin 1955.

Le très honorable C. D. Howe,
Ministre de la Production de défense,
OTTAWA (Ontario).

Monsieur le ministre,

J'ai l'honneur de vous soumettre, conformément à l'article 13 (1) de la Loi de 1946 sur la Corporation commerciale canadienne, le rapport annuel de la Corporation commerciale canadienne, ainsi que son bilan et son état des recettes et des dépenses, vérifiés par l'Auditeur général du Canada, pour l'année terminée le 31 mars 1955.

Votre dévoué serviteur,

Le Président,

(Signature) W. D. LOW.

CORPORATION COMMERCIALE CANADIENNE

Société appartenant entièrement au gouvernement du Canada

Etablie par la Loi sur la Corporation commerciale canadienne.
Statuts du Canada 1946, 10 George VI, c. 40, modifiée
par les Statuts du Canada 1947, 11 George VI, c. 51,
Statuts du Canada 1949, 13 George VI, c. 2,
Statuts du Canada 1950, 14 George VI, c. 51 et
Statuts du Canada 1951, 15 George VI, c. 13.

DIRECTEURS ET ADMINISTRATEURS, LE 31 MARS 1955

PRESIDENT

M. W. D. LOW

DIRECTEURS

M. D. M. ERSKINE,	<i>Directeur, Division générale des achats,</i>	<i>Ministère de la Production de défense.</i>
M. W. H. HUCK,	<i>Sous-ministre adjoint,</i>	

Ministère de la Production de défense.

M. FINLAY SIM,
Contrôleur-secrétaire,
Ministère du Commerce.

M. A. B. HUNT,	<i>Directeur, Division de l'électronique</i>	<i>Ministère de la Production de défense.</i>
M. T. E. STEPHENSON,	<i>Directeur, Division de l'aviation,</i>	<i>Ministère de la Production de défense.</i>

ADMINISTRATEURS

M. W. D. LOW
Président

M. F. F. WADDELL,	<i>Secrétaire et conseiller juridique.</i>
M. G. F. WEVILL,	<i>Contrôleur.</i>

SIEGE SOCIAL

Edifice temporaire no. 4, 56, rue Lyon,
OTTAWA (Ontario)

BUREAU REGIONAL

2450 Massachusetts Ave.
Washington (D.C.)

DU 1ER AVRIL 1954 AU 31 MARS 1955

NEUVIEME RAPPORT ANNUEL
AU
MINISTRE DE LA PRODUCTION DE DEFENSE

CORPORATION
COMMERCIALE CANADIENNE



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CANADIAN COMMERCIAL CORPORATION

TENTH ANNUAL REPORT TO THE MINISTER OF DEFENCE PRODUCTION

APRIL 1, 1955 TO MARCH 31, 1956



CANADIAN COMMERCIAL CORPORATION

A Company wholly owned by the Government of Canada

Established by Canadian Commercial Corporation Act,
Statutes of Canada 1946, 10 George VI Chap. 40 as amended
by Statutes of Canada 1947, II George VI, Chap. 51,
Statutes of Canada 1949, 13 George VI, Chap. 2,
Statutes of Canada 1950, 14 George VI, Chap. 51 and
Statutes of Canada 1951, 15 George VI, Chap. 13

DIRECTORS AND OFFICERS AS OF MARCH 31, 1956.

PRESIDENT

W. D. LOW

DIRECTORS

D. M. ERSKINE,
*Director, General Purchasing Branch,
Department of Defence Production.*

G. W. HUNTER,
*Assistant Deputy Minister,
Department of Defence Production.*

W. H. HUCK,
*Assistant Deputy Minister,
Department of Defence Production.*

FINLAY SIM,
*Comptroller-Secretary,
Department of Trade and Commerce.*

T. E. STEPHENSON,
*Director, Aircraft Branch,
Department of Defence Production.*

OFFICERS

W. D. LOW,
President

F. F. WADDELL,
Secretary and Legal Adviser

G. F. WEVILL,
Comptroller.

HEAD OFFICE

No. 4 Temporary Building, 56 Lyon Street,
Ottawa, Ontario

BRANCH OFFICE

2450 Massachusetts Ave.
Washington, D.C.

CANADIAN COMMERCIAL CORPORATION
OTTAWA, CANADA

June 15, 1956.

The Right Honourable C. D. Howe,
Minister of Defence Production,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Income and Expenditure, as audited by the Auditor General of Canada, covering the year ending March 31, 1956.

Yours faithfully,

(Signed) W. D. LOW,
President.

ANNUAL REPORT
OF
CANADIAN COMMERCIAL CORPORATION

Fiscal year ending March 31, 1956

Canadian Commercial Corporation was established in the year 1946 by Act of the Parliament of Canada as a Crown Corporation wholly owned by the Government of Canada.

The purposes of the Corporation are to assist in the development of trade between Canada and other nations; to assist in the disposal of goods and commodities that are available for export from Canada; and, when requested, to act for the Minister of Defence Production and others in the manner provided by statutes of Canada. In carrying out its exporting and importing activities the Corporation in some cases acts as agent and, in other cases, buys and sells on its own account as principal.

The principal activities of the Corporation during the fiscal year can be divided into the following categories:

1. The purchase of goods and commodities in Canada for the governments of other countries, and the shipment thereof to such countries.
2. The purchase of goods and commodities in Canada for the United Nations International Children's Emergency Fund and the United Nations Korean Reconstruction Agency.
3. The purchase of goods, commodities and services and the placing of contracts for various projects on behalf of the International Economic and Technical Co-operation Division of the Department of Trade and Commerce as Canada's contribution to the Government of India, Ceylon, Pakistan, and Burma under the auspices of the Colombo Plan.
4. The purchase and shipment to recipient countries of supplies included in Canada's contribution to the North Atlantic Treaty Organization.
5. The purchase of goods and commodities for other Departments or Agencies of the Government of Canada for export.

6. The importing of strategic materials for the Department of Defence Production.

The total business under administration by the Corporation as at March 31, 1956 was approximately \$117,170,000, which represents the value of goods, commodities, services and projects to be delivered or completed.

Deliveries during the year as reflected by suppliers' invoices received by the Corporation totalled \$81,228,000.

Contracts for supplies and services and for the carrying out of projects are, for the most part, arranged by means of requisitions placed by the Corporation with the Department of Defence Production or with Defence Construction (1951) Limited, a Crown company responsible to the Minister of Defence Production, after the Corporation has arranged for maximum procurement from Canadian sources, and has settled with the recipient government, department or international organization all the terms of contract, including specifications, price, delivery, method of payment and general conditions of sale. Funds for the supplies, services and projects are made available by the recipient government, international organization or Canadian Government department as the case may be, and the Corporation in turn makes or approves payment to the Canadian supplier.

During the fiscal year ending March 31, 1956 the Corporation purchased supplies and services, and placed contracts for various projects, for the following governments and international organizations:

Australia	New Zealand
Belgium	Norway
Denmark	Pakistan
Holland	United Kingdom
India	United States of America
Israel	United Nations International Children's
Italy	Emergency Fund (UNICEF)
Mozambique	United Nations Korean Reconstruction Agency (UNKRA)
	Commonwealth Institute of Biological Control

and for the following departments of the Government of Canada:

Department of Defence Production

Department of Trade and Commerce (Colombo Plan Administration)

Department of National Defence (NATO Contributions)

Department of External Affairs (British West Indies Relief)

Department of National Health and Welfare.

TOTAL VALUE OF EXPORTS AND OTHER TRANSACTIONS

The total value of supplies, services and projects contracted for by the Corporation during the fiscal year amounted to \$77,860,000, as compared with \$92,981,700 in the previous year.

UNITED STATES MILITARY DEPARTMENTS

Of the above mentioned \$77,860,000, the sum of \$46,600,000 represents contracts entered into with the United States Military Departments, being a decrease from \$58,930,000 in the previous fiscal year. These contracts covered chemicals, petroleum products, explosives, aircraft and spares, aircraft engine spares, modifications and overhaul of aircraft engines, training and field services, radar, signalling equipment and other communication systems, including equipment and services for the joint Canada-United States radar warning project known as Pinetree.

COLOMBO PLAN

The Corporation, acting on behalf of the Colombo Plan Administration, entered into contracts for supplies, services and projects valued at \$21,785,000 which formed part of Canada's contribution under the Colombo Plan Programme to the Governments of India, Pakistan, Ceylon and Burma, being an increase from \$10,648,000 in the previous year. These contracts covered stores, equipment and engineering services for hydro-electric power plants, generating stations, agricultural stations, transmission lines, workshops, a fisheries project and other items such as flour, mobile dispensaries, aircraft, locomotives and aerial photographic surveys.

NORTH ATLANTIC TREATY ORGANIZATION

On behalf of the Department of National Defence, the Corporation was called upon to arrange and administer contracts and ship military supplies, being Canada's contributions to the countries of the North Atlantic Treaty Organization. The value of contracts entered into was approximately \$6,005,000 being a decrease from \$17,286,000 in the previous year. The supplies consisted chiefly of guns and spares, explosives, electronic equipment, ammunition and ammunition components.

UNITED NATIONS AGENCIES

The total value of supplies contracted for during the fiscal year for the two agencies of the United Nations referred to above amounted to \$694,000 (an increase from \$319,990 in the previous year) consisting of operating room and laboratory equipment and supplies, and other supplies such as thermometers, albuminometers, fish liver oil capsules, dried whole milk, school supplies, workshop tools, lumber, steel bars, tires and tubes.

UNITED KINGDOM

Purchases made in Canada and shipped on behalf of the United Kingdom War Office, the Admiralty, and the Ministry of Health totalled \$1,352,200 in the fiscal year, being an increase from \$1,177,000 in the previous year. The items purchased included Canadian wheat, flour, typhus vaccine, spare parts for radar equipment, transformers, radomes, and Bren gun parts.

IMPORTING OF RHESUS MONKEYS

At the request of the Department of National Health and Welfare and with the co-operation of the Government of India, the Corporation imported live Rhesus monkeys at a total landed cost of \$420,000. They were supplied to Connaught Medical Research Laboratories of the University of Toronto and to the Institute of Microbiology and Hygiene of the University of Montreal, for use in the production and testing of Salk Anti-Poliomyellitis Vaccine.

OTHER TRANSACTIONS

On behalf of the Department of External Affairs the Corporation purchased and shipped \$50,000 worth of flour to British West Indies as a relief measure following a hurricane disaster in that area.

Sales to foreign and Commonwealth countries mentioned above, other than the United Kingdom and the United States, amounted to \$897,225, being a decrease from \$2,378,210 in the previous year.

The Corporation imported strategic materials during the fiscal year to a value of \$56,575.

STAFF

The staff of the Corporation as at March 31, 1956 totalled 50 persons including all executive officers and administrative personnel at its head office in Ottawa, Canada, and at its office in Washington, D.C.

CAPITAL

During the year the Corporation refunded to the Receiver General of Canada out of its working capital of \$10,000,000, the sum of \$4,000,000 which sum was in excess of current needs.

ACCOUNTS

The balance sheet of the Corporation as at March 31, 1956 and statement of income and expenditure for the year ended that date, duly certified and approved, with report by the Auditor-General, are set out on the following pages.

Ottawa, June 15, 1956.

The Right Honourable C. D. Howe,
Minister of Defence Production,
Ottawa.

Sir:

The accounts and financial statements of Canadian Commercial Corporation have been examined for the year ended March 31, 1956, and certified financial statements are attached.

In compliance with section 87 of the Financial Administration Act, I report that, in my opinion:

- (a) proper books of account have been kept by the Corporation;
- (b) the financial statements of the Corporation
 - (i) were prepared on a basis consistent with that of the preceding year and are in agreement with the books of account,
 - (ii) in the case of the balance sheet, give a true and fair view of the state of the Corporation's affairs as at the end of the financial year, and
 - (iii) in the case of the statement of income and expense, give a true and fair view of the income and expense of the Corporation for the financial year; and
- (c) the transactions of the Corporation that have come under my notice have been within the powers of the Corporation under the Canadian Commercial Corporation Act and the Financial Administration Act.

Yours faithfully,

(Signed) WATSON SELLAR,
Auditor General.

CANADIAN COMME

(Incorporated under the Canadian

Balance Sheet as

(with comparative fig

A S S E T S

GENERA

	1956	1955
Cash	\$ 5,585,185	\$ 9,325,110
Investments — \$186,200 Government of Canada Bonds, at amortized cost (market value \$180,165)	188,895	189,302
Advances and progress payments relating to customers' projects	139,288,285	135,186,378
Accounts and claims receivable	2,155,296	3,332,096
Unabsorbed losses on United States Government con- tracts (recouped in May, 1955)		95,794

	<u>\$147,217,661</u>	<u>\$ 148,128,680</u>
Cash	\$ 2,410,741	2,859,347
Security deposit by customer — Government of Canada Bonds	150,000	150,000
Advances and progress payments to suppliers	7,796,275	7,989,983
	<u>\$ 10,357,016</u>	<u>\$ 10,999,330</u>

Certified correct
(Sgd.) G. F. WEVILL
Comptroller

Approved
(Sgd.) W. D. LOW,
President

AGENC

IAL CORPORATION

Commercial Corporation Act)

March 31, 1956

as at March 31, 1955)

ACCOUNT

	1956	1955
LIABILITIES		
Accounts payable and accrued liabilities	\$ 3,457,241	\$ 3,828,365
Advance payments by United States Government on projects in Canada	136,726,765	133,251,256
Deferred credits — surcharge	15,520	19,190
Employees' funds — staff savings, etc.	2,449	2,097

Capital and Surplus

Government of Canada — advance for working capital provided under section 8 of the Canadian Commercial Corporation Act	\$6,000,000	10,000,000
Surplus:		
Balance brought forward	\$1,027,772	875,881
Excess of income over expense for the year, Schedule 1	37,914	46,307
Prior years' adjustments — For profit on exchange.....	—	105,584
Provision for contract claim and cost of litigation	50,000	
	<u>1,015,686</u>	<u>7,015,686</u>
	<u>\$147,217,661</u>	<u>\$ 148,128,680</u>

ACCOUNT

Accounts payable	\$ 252,504	487,110
Customer for security deposit	150,000	150,000
Obligations to Principals — representing advances from agencies of various governments (including Canada) and certain international bodies	9,954,512	10,362,220
	<u>\$ 10,357,016</u>	<u>\$ 10,999,330</u>

Certified in accordance with my report dated June 15, 1956, to the Minister of Defence Production under section 87 of the Financial Administration Act.

(Sgd.) WATSON SELLAR,
Auditor General of Canada.

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expense for the year ended March 31, 1956

(with comparative figures for the year ended March 31, 1955)

<u>1955</u>		<u>1956</u>
<i>Income</i>		
	Purchase surcharge from various governments (including Canada) and international agencies	
\$ 240,165		\$205,754
71,690	Interest earned	96,635
<u>311,855</u>		<u>\$302,389</u>
<i>Expense</i>		
	Salaries and living allowance (including executive officers' salaries \$32,000)	
204,004		211,368
13,412	Telephone, telegraph and postage.....	14,389
	Contribution to employees' superannuation, death benefit and unemployment insurance	
21,595		14,251
11,441	Travel	10,797
10,605	Rent, light and heat	10,605
	Printing, stationery and office supplies	
2,645		2,746
1,846	Other expenses	319
<u>265,548</u>		<u>264,475</u>
<u>\$ 46,307</u>	Excess of income over expense	<u>\$ 37,914</u>

CORPORATION COMMERCIALE CANADIENNE

Etat des recettes et des dépenses pour l'exercice terminé le 31 mars 1956 (avec chiffres comparatifs pour l'année terminée le 31 mars 1955)

1956		1955
	<i>Recettes</i>	
	Excédent du prix d'achat obtenu de divers gouvernements (y compris celui du Canada) et d'organismes internationaux	\$ 240,165
\$205,754	Intérêts gagnés	71,690
96,635		311,855
	<i>Dépenses</i>	
	Salaires et allocations de subsistance (y compris salaires de membres de l'exécutif (\$32,000))	204,004
211,368	Téléphone, télégraphe et port	13,412
14,389	Contributions à la caisse de pension des employés, à la caisse de prestations au décès et à la caisse d'assurance-chômage	21,595
14,251	Voyages	11,441
10,797	Loyers, lumière et chauffage	10,605
10,605	Impressions, papeterie et fournitures de bureau	2,645
2,746	Autres	1,846
319		265,548
264,475	Excédent des recettes sur les dépenses	\$ 46,307
\$ 37,914		

PASSIF

1956	\$ 3,457,241	\$ 3,828,365
1955		133,251,256
	15,520	19,190
	2,449	2,097

Dettes passives et passif couru
 Paiements anticipés du gouvernement des Etats-Unis
 sur projets au Canada
 Crédits différés — excédent du prix d'achat
 Fonds des employés — épargnes du personnel, etc.....

Capital et surplus:

Gouvernement du Canada — avance de
 capitaux d'exploitation sous le régime
 de l'article 8 de la Loi sur la Corpo-
 ration commerciale canadienne.....

\$6,000,000

Surplus:

Solde reporté \$1,027,772
 pour l'exercice, Annexe I 37,914
 Excédent des recettes sur les dépenses
 Ajustement au compte des années anté-
 rieures
 Pour bénéfices sur le change

Provisions pour réclamation à l'égard de
 contrats et frais juridiques

50,000

1,015,686

D'AGENCE

Dettes passives

252,504

487,110

Envers client, valeurs déposées

150,000

150,000

Obligations envers des mandants — au titre d'avances
 reçues d'agences de divers gouvernements (y com-
 pris celui du Canada) et de certains organismes
 internationaux

9,954,512

10,362,220

\$ 10,357,016

\$ 10,999,330

A C T I F

1956	\$ 5,585,185	1955	\$ 9,325,110
.....
Placements — Obligations du gouvernement du Canada,	188,895	189,302	135,186,378
\$186,200, coût amorti (valeur marchande \$180,165)	139,288,285	135,186,378	135,186,378
Dettes et réclamations actives	2,155,296	3,332,096	3,332,096
Pertes non absorbées sur contrats du gouvernement des	.....	.....	.....
Etats-Unis (récupérées en mai 1955) .....	.....	.....	95,794

\$147,217,661	\$ 148,128,680
.....
Espèces en caisse	2,410,741
.....	2,859,347
Valeurs déposées par clients — Obligations du gouver-	150,000
nement du Canada	150,000
Avances et paiements provisionnels à des fournisseurs.....	7,796,275
.....	7,989,983

Certifié exact

Le contrôleur.
(signé) G. F. WEVILL,

Approuvé

Le président.
(signé) W. D. LOW,

Ottawa, le 15 juin 1956

Le très hon. C. D. Howe,
Ministre de la Production de défense,
Ottawa.

Monsieur,

Après un examen des comptes et des états financiers de la Corporation commerciale canadienne pour l'exercice terminé le 31 mars 1956, je vous envoie ci-joints les états financiers certifiés.

Conformément à l'article 87 de la Loi sur l'administration financière, je déclare que, à mon avis,

- a) la Corporation a tenu les livres de comptabilité appropriés;
- b) les états financiers de la Corporation

(i) ont été préparés sur une base compatible avec celle de l'année précédente et sont conformes aux livres de comptabilité,

(ii) dans le cas du bilan, ils présentent de façon exacte et fidèle la situation de la Corporation à la fin de l'exercice financier, et

(iii) dans le cas de l'état des recettes et des dépenses, ils donnent une idée exacte et fidèle des recettes et des dépenses de la Corporation pendant l'exercice financier, et

c) les opérations de la Corporation qui sont venues à ma connaissance étaient dans les limites de la compétence que lui accordent la Loi sur la Corporation commerciale canadienne et la Loi sur l'administration financière.

Votre tout dévoué,

L'Auditeur général.

(signé) WATSON SELLAR.

singes rhésus vivants d'une valeur débarquée de \$420,000. Ces singes ont été délivrés aux Laboratoires de recherche médicale Connaught de l'Université de Toronto et à l'Institut de microbiologie et d'hygiène de l'Université de Montréal pour la production et l'essai du vaccin Salk contre la poliomyélite.

AUTRES OPERATIONS

La Corporation a acheté et expédié aux Antilles anglaises, pour le compte du ministère des Affaires extérieures, de la farine d'une valeur de \$50,000 sous forme de secours à la suite des ravages causés par un ouragan.

Les ventes aux pays étrangers et aux pays du Commonwealth mentionnés plus haut, à l'exclusion du Royaume-Uni et des Etats-Unis, se sont établies à \$897,225, ce qui représente une forte diminution par rapport au chiffre de \$2,378,210, de l'année précédente.

La Corporation a importé au cours de l'année financière du matériel d'importance stratégique pour un montant de \$56,575.

PERSONNEL

Le 31 mars 1956, le personnel de la Corporation se composait de 50 personnes, y compris tout le personnel directeur et administratif au siège social à Ottawa (Canada et à la succursale de Washington (D.C.).

CAPITAL

Au cours de l'année, la Corporation a remboursé au Receveur général du Canada \$4,000,000 sur son capital d'exploitation de \$10,000,000. Cette somme dépassait les besoins courants.

ETATS FINANCIERS

Vous trouverez aux pages qui suivent le bilan de la Corporation, arrêté au 31 mars 1956, et l'état des recettes et des dépenses pour l'année terminée à la même date, dûment certifiés et approuvés, ainsi que le rapport de l'Auditeur général.

projet canado-américain d'alerte par radar, connu sous le nom de "Pinetree".

PLAN DE COLOMBO

La Corporation a passé, pour le compte de l'Administration du Plan de Colombo, des contrats d'une valeur de \$21,785,000, contre \$10,648,000 l'année précédente, à l'égard d'approvisionnement, de services et de projets compris dans la contribution du Canada aux gouvernements de l'Inde, du Pakistan, de Ceylan et de la Birmanie sous le régime du Programme du Plan de Colombo. Ces contrats visaient des approvisionnements, du matériel et des services de génie en rapport avec des installations hydroélectriques, des centrales génératrices, des stations agricoles, des lignes de transmission, des ateliers, un projet intéressant l'industrie de la pêche et certaines choses diverses comme de la farine, des dispensaires mobiles, des avions, des levés photographiques aériens et des locomotives.

ORGANISATION DU TRAITE DE L'ATLANTIQUE NORD

La Corporation a dû aussi, au nom du ministère de la Défense nationale, négocier des contrats, en surveiller l'exécution et expédier des approvisionnements militaires, afin de fournir la contribution du Canada aux pays signataires du Traité de l'Atlantique Nord. Les contrats conclus ont représenté une somme d'environ \$6,005,000, soit une baisse par rapport au montant de \$17,286,000 l'année précédente. Les approvisionnements fournis ont été surtout des canons et des pièces de canons, des explosifs, du matériel électronique, des munitions et des pièces composantes de munitions.

INSTITUTIONS DE L'ORGANISATION DES NATIONS UNIES

La valeur globale des contrats d'approvisionnements passés au cours de l'année financière pour le compte des deux institutions précitées des Nations Unies, s'est élevée à \$694,000 (contre \$319,990 l'année précédente). Ces approvisionnements ont compris de l'outillage et du matériel de salles d'opérations et de laboratoires et autres fournitures telles que thermomètres, albuminomètres, capsules d'huile de foie de poisson, poudre de lait entier, fournitures d'école, outils d'ateliers, bois, barres en acier, pneus et chambres à air.

ROYAUME-UNI

Les articles achetés au Canada et expédiés au cours de l'année financière, pour le compte du ministère de la Guerre, de l'Amirauté et du ministère de la Santé du Royaume-Uni ont représenté une somme de \$1,352,200; le montant de l'année précédente était de \$1,177,000. Ils ont compris du blé, de la farine, des vaccins contre le typhus, des pièces de rechange de matériel de radar, des transformateurs, des radomes et des pièces de mitrailleuses Bren.

IMPORTATION DE SINGES RHESUS

A la demande du ministère de la Santé nationale et du Bien-être social et avec la collaboration du gouvernement de l'Inde, la Corporation a importé des

Corporation présente au ministère de la Production de défense ou à la *Defence Construction* (1951) *Limited*, société de la Couronne relevant du ministre de la Production de défense, après avoir pris des dispositions afin d'obtenir tout ce qui est possible de sources canadiennes et avoir réglé avec le gouvernement, le ministère ou l'organisme international en cause tous les termes du contrat, y compris les spécifications, le prix, les délais de livraison, le mode de paiement et les conditions générales de vente. Les fonds requis pour ces approvisionnements, services et projets sont fournis, selon le cas, par le gouvernement, l'organisme international ou le ministère du gouvernement canadien destinataire et la Corporation, à son tour, effectue ou approuve le paiement au fournisseur canadien.

Au cours de l'année financière terminée le 31 mars 1956, la Corporation a acheté des approvisionnements et des services et a passé des contrats relatifs à différents projets, pour le compte des gouvernements des pays et pour les organismes internationaux dont la liste suit:

Australie	Nouvelle-Zélande
Belgique	Norvège
Danemark	Pakistan
Etats-Unis	Royaume-Uni
d'Amérique	Fonds international des Nations Unies pour le secours à l'enfance (FISE)
Hollande	Agence des Nations Unies pour le relèvement de la Corée (UNKRA)
Israël	Institut de répression biologique du Commonwealth
Mozambique	

et pour les ministères suivants du gouvernement du Canada:

Ministère de la Production de défense
Ministère du Commerce (Administration du Plan de Colombo)
Ministère de la Défense nationale (Contributions à l'OTAN)
Ministère des Affaires extérieures (Secours aux Antilles anglaises)
Ministère de la Santé nationale et du Bien-être social

VALEUR GLOBALE DES EXPORTATIONS ET AUTRES OPERATIONS

La valeur globale des contrats passés par la Corporation au cours de l'année financière, à l'égard d'approvisionnements, de services et de projets, a été de \$77,860,000, comparativement à \$92,981,700 l'année précédente.

MINISTERES MILITAIRES DES ETATS-UNIS

De la somme précitée de \$77,860,000, \$46,600,000 représentent des contrats conclus avec des ministères militaires des Etats Unis; ainsi, il y a eu fléchissement sous ce chef puisque le chiffre correspondant de l'année précédente était de \$58,930,000. Ces contrats visaient des produits chimiques, des produits du pétrole, des explosifs, des avions et pièces d'avion, des services d'instruction et la remise en état de moteurs d'avions, des services d'insulation et des services en campagne, du matériel pour réseaux de radar, de signalisation et autres réseaux de transmission, y compris du matériel et des services destinés au

RAPPORT ANNUEL DE LA CORPORATION COMMERCIALE CANADIENNE

pour l'année financière terminée le 31 mars 1956

La Corporation commerciale canadienne a été établie aux termes d'une Loi du Parlement du Canada, en 1946, comme Société de la Couronne appartenant entièrement au gouvernement du Canada.

Elle a pour fonctions de contribuer à stimuler le commerce entre le Canada et les autres pays, d'aider à écouler des marchandises et des denrées disponibles au Canada pour l'exportation et, sur demande, d'agir au nom du ministre de la Production de défense et autres de la manière prévue aux statuts du Canada. Dans le domaine de l'exportation et de l'importation, elle agit, en certains cas, en qualité d'agent alors que, dans d'autres, elle achète et vend pour son propre compte.

Les principales fonctions exercées par la Corporation au cours de l'année financière peuvent se ranger dans les catégories suivantes:

1. Achat de marchandises et de denrées au Canada pour les gouvernements d'autres pays, et expédition de ces produits vers les pays intéressés.
2. Achat de marchandises et de denrées au Canada pour le Fonds international de secours à l'enfance et l'Agence des Nations Unies pour le relèvement de la Corée.
3. Achat de marchandises, de denrées et de services et adjudication de contrats visant divers projets, pour le compte de la Division de la coopération économique et technique internationale du ministre du Commerce, en rapport avec la contribution du Canada aux gouvernements de l'Inde, de Ceylan, du Pakistan et de la Birmanie sous les auspices du Plan de Colombo.
4. Achat et expédition aux pays destinataires d'approvisionnements compris dans la contribution du Canada à l'Organisation du Traité de l'Atlantique Nord.
5. Achat de marchandises et de denrées pour le compte d'autres ministères ou organismes du gouvernement du Canada, aux fins d'exportation.
6. Importation de matières d'importance stratégique pour le compte du

ministère de la Production de défense.

Les affaires gérées par la Corporation le 31 mars 1956 s'élevaient, au total, à quelque \$117,170,000. Ce chiffre représentait la valeur des marchandises, denrées et services non encore livrés et des projets non terminés.

Les livraisons, indiquées aux factures que la Corporation a reçues des fournisseurs, se sont établies, pour l'année, à \$81,228,000.

En général, les contrats d'approvisionnements et de services et les marchés visant l'exécution de projets interviennent à la suite de réquisitions que la

CORPORATION COMMERCIALE CANADIENNE

Ottawa (Canada)

le 15 juin 1956.

Le très honorable C. D. Howe,
Ministre de la Production de défense,
OTTAWA (Ontario).

Monsieur le ministre,

J'ai l'honneur de vous soumettre, conformément à l'article 13 (1) de la Loi de 1946 sur la Corporation commerciale canadienne, le rapport annuel de la Corporation commerciale canadienne, ainsi que son bilan et son état des recettes et des dépenses, vérifiées par l'Auditeur général du Canada, pour l'année terminée le 31 mars 1956.

Votre dévoué serviteur,

Le Président,

(Signé) W. D. LOW.

CORPORATION COMMERCIALE CANADIENNE

Société appartenant entièrement au gouvernement du Canada

Etablie par la Loi sur la Corporation commerciale canadienne,
Statuts du Canada 1946, 10 George VI, c. 40, modifiée
par les Statuts du Canada 1947, 11 George VI, c. 51,
Statuts du Canada 1949, 13 George VI, c. 2,
Statuts du Canada 1950, 14 George VI, c. 51 et
Statuts du Canada 1951, 15 George VI, c. 13.

DIRECTEURS ET ADMINISTRATEURS, LE 31 MARS 1956

PRESIDENT

M. W. D. LOW

DIRECTEURS

M. D. M. ERSKINE,
Directeur, Division générale des achats, Sous-ministre adjoint,
Ministère de la Production de défense.
M. W. H. HUCK,
Sous-ministre adjoint,
Ministère de la Production de défense.
M. T. E. STEPHENSON,
Directeur, Division de l'aviation, Ministère de la Production de défense.

ADMINISTRATEURS

M. W. D. LOW
Président

M. F. F. WADDELL,
Secrétaire et conseiller juridique.
M. G. F. WEVILL,
Contrôleur.

SIEGE SOCIAL

Edifice temporaire no. 4, 56, rue Lyon,
OTTAWA (Ontario)

SUCCESSALE

2450 Massachusetts Ave.
Washington (D.C.)

DU 1ER AVRIL 1955 AU 31 MARS 1956

DIXIEME RAPPORT ANNUEL
AU
MINISTRE DE LA PRODUCTION DE DEFENSE

CORPORATION
COMMERCIALE CANADIENNE





**CORPORATION
COMMERCIALE CANADIENNE**

**ONZIEME RAPPORT ANNUEL
AU
MINISTRE DE LA PRODUCTION DE DEFENSE**

DU 1ER AVRIL 1956 AU 31 MARS 1957

CORPORATION COMMERCIALE CANADIENNE

Société appartenant entièrement au gouvernement du Canada

Etablie par la Loi sur la Corporation commerciale canadienne,
Statuts du Canada 1946, 10 George VI, chap. 40, modifiée
par les Statuts du Canada 1947, II George VI, chap. 51,
Statuts du Canada 1949, 13 George VI, chap. 2.
Statuts du Canada 1950, 14 George VI, chap. 51 et
Statuts du Canada 1951, 15 George VI, chap. 13.

DIRECTEURS ET ADMINISTRATEURS, LE 31 MARS 1957

PRESIDENT

M. W. D. LOW

DIRECTEURS

M. D. M. ERSKINE, <i>Directeur, Division générale des achats, Ministère de la Production de défense.</i>	M. G. W. HUNTER, <i>Sous-ministre adjoint, Ministère de la Production de défense.</i>
M. W. H. HUCK, <i>Sous-ministre adjoint, Ministère de la Production de défense.</i>	M. FINLAY SIM, <i>Contrôleur-secrétaire, Ministère du Commerce.</i>

M. R. G. JOHNSON,
*Président,
Defence Construction (1951) Ltd.*

ADMINISTRATEURS

M. W. D. LOW
Président

M. F. F. WADDELL,
Secrétaire et conseiller juridique.

M. G. F. WEVILL,
Contrôleur.

SIEGE SOCIAL

Edifice temporaire No. 4, 56, rue Lyon
OTTAWA (Ontario)

SUCCURSALE

2450 Massachusetts Ave.
Washington, D.C.

CORPORATION COMMERCIALE CANADIENNE
Ottawa (Canada)

le 21 juin 1957

Ministre de la Production de défense
OTTAWA (Ontario)

Monsieur le Ministre,

J'ai l'honneur de vous présenter, conformément à l'article 13 (1) de la Loi de 1946 sur la Corporation commerciale canadienne, le rapport de la Corporation commerciale canadienne, ainsi que son bilan et son état des recettes et des dépenses, vérifiés par l'Auditeur général du Canada, pour l'année close le 31 mars 1957.

Veillez agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

Le président,

(Signature) W. D. LOW.

RAPPORT
DE LA
CORPORATION COMMERCIALE CANADIENNE

sur l'activité de l'année financière close le 31 mars 1957

La Corporation commerciale canadienne a été établie en 1946, aux termes d'une Loi du Parlement du Canada, comme Société de la Couronne appartenant entièrement au gouvernement du Canada.

La Corporation relève du ministre de la Production de défense et effectue en son nom diverses opérations d'achat et de vente. Une de ses principales fonctions consiste à aider d'autres gouvernements à se procurer au Canada du matériel de défense et autres articles. Elle achète aussi, en dehors du Canada, les marchandises et les denrées qui ne peuvent s'obtenir qu'entre gouvernements. L'Administration du Plan de Colombo et quelques institutions des Nations Unies ont recours à la Corporation pour acheter leurs approvisionnements.

Les affaires gérées par la Corporation le 31 mars 1957 s'élevaient, au total, à quelque \$90,543,000.

Les principales fonctions exercées par la Corporation au cours de l'année financière peuvent se répartir ainsi qu'il suit:

1. La Corporation a acheté au Canada pour le compte de gouvernements étrangers des marchandises, denrées et approvisionnements destinés à la défense et les a expédiés à leurs destinations respectives. Elle s'est engagée à acheter du matériel de défense au nom des départements militaires des Etats-Unis, du ministère de la Guerre, de l'Amirauté et du ministère de la Santé du Royaume-Uni de même que pour les gouvernements des pays suivants:

Afrique du Sud	Inde
Australie	Italie et
Belgique	Pakistan
Hollande	

2. La Corporation a, pour le compte du ministère du Commerce, acheté des marchandises, denrées et services et passé des contrats visant divers projets compris dans la contribution du Canada au Plan de Colombo et vu à l'expédition aux pays destinataires des objets ainsi obtenus.

3. Des approvisionnements de défense, contribution du Canada aux pays signataires du Traité de l'Atlantique-Nord (OTAN), ont été achetés et expédiés aux pays destinataires par l'entremise de la Corporation.

4. La Corporation a acheté des marchandises et des produits au Canada pour le compte du Fonds international des Nations Unies pour le secours à l'enfance (FISE) et de l'Agence des Nations Unies pour le relèvement de la Corée (UNKRA). Elle a également passé des contrats au nom du Quartier général du commandant suprême des puissances alliées en Europe (SHAPE) et de l'Institut de répression biologique du Commonwealth.

5. Certains articles qui ne peuvent être obtenus par les voies commerciales ordinaires ont été importés par la Corporation. C'est ainsi qu'à la demande du ministère de la Santé nationale et du Bien-être social et avec la collaboration du gouvernement de l'Inde, la Corporation a continué d'importer des singes rhésus vivants pour la production et l'essai du vaccin Salk contre la poliomyélite par les Laboratoires de recherche médicale Connaught de l'Université de Toronto et l'Institut de microbiologie et d'hygiène de l'Université de Montréal. La Corporation a également acheté du gouvernement des Etats-Unis des pièces d'avions destinées à une société canadienne qui fabrique des avions militaires pour des gouvernements étrangers et des accessoires d'avions pour une importante ligne de transport aérien. Ces pièces et accessoires n'étaient pas en vente sur le marché ordinaire.

FONCTIONNEMENT

Lorsqu'elle entreprend d'exporter ou d'importer des marchandises ou des services au nom de gouvernements et d'organisations, la Corporation commerciale canadienne fait, dans certains cas, fonction d'agent du gouvernement ou de l'organisation intéressée. Dans d'autres, elle achète et vend pour son propre compte en qualité de mandant. Elle exige, à l'égard des opérations dont elle se charge, des frais d'administration minimes des bénéficiaires, sauf le gouvernement des Etats-Unis qui rend gratuitement au Canada des services du même genre.

Dans la plupart des cas, la Corporation utilise les services d'achat du ministère de la Production de défense ou, lorsqu'il s'agit de contrats de construction, ceux de la *Defence Construction (1951) Limited*, société de la Couronne qui relève du ministre de la Production de défense. C'est à ce Ministère ou à cette Société de la Couronne, selon le cas, que sont confiées la plupart des demandes de renseignements et la conclusion des marchés, une fois que la Corporation a réglé tous les détails avec le gouvernement ou l'organisation destinataire.

VALEUR DES OPERATIONS

La valeur globale des contrats passés et des commandes reçues par la Corporation au cours de l'année financière, à l'égard d'approvisionnements, de

services et de projets, a été de \$64,635,000 comparativement à \$77,860,000 l'année précédente.

Les livraisons et les travaux effectués au cours de l'année se sont établis à \$68,756,000, d'après les factures que la Corporation a reçues des fournisseurs. L'année dernière, les livraisons avaient atteint \$81,228,000; à ce montant s'étaient ajoutées des expéditions aux pays de l'OTAN pour une somme de \$14,805,000, ce qui avait porté le total à \$96,033,000.

Comme il a été mentionné plus haut, les affaires gérées par la Corporation le 31 mars 1957 s'élevaient, dans l'ensemble, à quelque \$90,543,000. Ce montant représente le valeur des marchandises, denrées et services non encore livrés et des projets inachevés. Le chiffre correspondant de l'année précédente était de \$117,170,000.

DEPARTEMENTS MILITAIRES DES ETATS-UNIS

De la valeur globale des commandes reçues par la Corporation soit, comme il est mentionné plus haut, \$64,635,000, la somme de \$33,200,000 représente des contrats conclus avec les départements militaires des Etats-Unis; le montant avait été de \$46,600,000 l'année précédente. Ces contrats visaient des produits chimiques, des produits du pétrole, des explosifs, des avions et pièces d'avions, des pièces de moteurs d'avions, la modification et la remise en état de fuselages d'avions et de moteurs d'avions, des services d'instruction et des services en campagne, des machines et des machines-outils, des traîneaux et des pièces de traînaux pour l'Arctique, des appareils de cobalt-60, du papier, du matériel de radar, du matériel électronique et d'autres appareils de transmission, y compris du matériel et des services destinés au projet canado-américain d'alerte au moyen du radar, connu sous le nom de "Pinetree".

ROYAUME-UNI

Des achats de blé, de farine, de vaccins et de fournitures pour la défense ont été effectués au Canada pour le compte du ministère de la Guerre, de l'Amirauté et du ministère de la Santé du Royaume-Uni; leur valeur s'est élevée à \$1,118,000, contre \$1,352,200 l'année précédente.

PLAN DE COLOMBO

Les contrats conclus pour le compte de l'Administration du Plan de Colombo, à l'intention de l'Inde, du Pakistan, de Ceylan, de la Birmanie et de la Malaisie, ont atteint \$25,141,000, et ont donc dépassé le chiffre de l'année précédente qui avait été de \$21,785,000. Ces contrats ont compris le matériel et les services de génie nécessaires à la construction et à l'exploitation d'installations hydro-électriques, de centrales génératrices, de stations agricoles, de lignes de transmission et d'ateliers, ainsi que des levés photographiques aériens, de la farine, des avions, des locomotives, des grues mobiles et du matériel téléphonique.

ORGANISATION DU TRAITE DE L'ATLANTIQUE NORD

La Corporation a conclu au nom du ministère de la Défense nationale des contrats visant les approvisionnements et le matériel militaires que le Canada fournit aux pays signataires du Traité de l'Atlantique Nord. Elle a vu aussi à faire expédier ces approvisionnements et ce matériel aux pays intéressés. La valeur de ces contrats s'est élevée à quelque \$3,164,000, alors que le chiffre correspondant de l'année précédente avait été de \$6,005,000.

INSTITUTIONS DE L'ORGANISATION DES NATIONS UNIES

La valeur globale des approvisionnements compris dans les contrats passés au cours de l'année financière pour le compte du Fonds international des Nations Unies pour le secours à l'enfance (FISE) et de l'Agence des Nations Unies pour le relèvement de la Corée (UNKRA) a atteint \$142,000, contre \$694,000 l'année précédente. Ces approvisionnements consistaient en outillage et matériel de salles d'opérations et de laboratoires et diverses autres fournitures: capsules d'huile de foie de poisson, poudre de lait entier, manuels, poêles au kérosène, ciment, nickel, pneus et chambres à air.

AUTRES GOUVERNEMENTS

Les achats effectués au nom de l'Afrique du Sud, de l'Australie, de la Belgique, de la Hollande, de l'Inde, de l'Italie et du Pakistan se sont élevés à \$342,000, comparativement à \$897,225 l'année financière précédente.

OPERATIONS DIVERSES

Le coût total des singes rhésus vivants importés de l'Inde a été de \$636,000. Les achats de pièces et d'accessoires d'avions du gouvernement des Etats-Unis se sont chiffrés à \$1,207,000.

CAPITAL D'EXPLOITATION

Au cours de l'année, la Corporation a remboursé au Receveur général du Canada sur son capital d'exploitation de \$6,000,000, la somme de \$2,000,000 qui dépassait les besoins courants.

PERSONNEL

Le 31 mars 1957, le personnel de la Corporation se composait de 49 personnes, y compris tout le personnel directeur et administratif du siège social à Ottawa (Canada) et de la succursale de Washington (D.C.).

ETATS FINANCIER

Vous trouverez aux pages qui suivent le bilan de la Corporation, arrêté au 31 mars 1957, et l'état des recettes et des dépenses pour l'exercice financier terminé à la même date, dûment certifiés et approuvés, ainsi que le rapport de l'Auditeur général.

Ottawa, le 19 juin 1957.

Ministre de la Production de défense,

O t t a w a .

Monsieur le Ministre,

Après un examen des comptes et des états financiers de la Corporation commerciale canadienne pour l'exercice terminé le 31 mars 1957, je vous envoie ci-joint une série des états financiers en question.

Ainsi que l'exige l'article 87 de la loi sur l'administration financière, je déclare que, à mon avis

- a) la Corporation a tenu les livres de comptabilité appropriés;
- b) les états financiers de la Corporation
 - (i) ont été préparés sur une base compatible avec celle de l'année précédente et sont conformes aux livres de comptabilité,
 - (ii) dans le cas du bilan, présentent de façon exacte et fidèle la situation de la Corporation à la fin de l'exercice financier, et
 - (iii) dans le cas de l'état des recettes et des dépenses, donnent une idée exacte et fidèle des recettes et des dépenses de la Corporation pendant l'exercice financier, et
- c) les opérations de la Corporation qui sont venues à ma connaissance étaient dans les limites de la compétence que lui accordent la Loi sur la Corporation commerciale canadienne et la Loi sur l'administration financière.

Veuillez agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

L'Auditeur général

(Signature) WATSON SELLAR

CORPORATION CO

Constituée sous le régime de la Loi sur

Bilan au

(Avec chiffres compa

COMPT

A C T I F

1956

1957

Espèces en caisse	\$ 3,730,467	\$ 5,585,185
Placements — Obligations du gouvernement du Canada, \$186,200, coût amorti (valeur marchande, \$168,877)	188,489	188,895
Avances et paiements provisoires à des fournisseurs, à compte de projets	119,436,652	139,288,285
Dettes et réclamations actives	3,635,710	2,155,296

\$126,991,318

\$147,217,661

COMPT

Espèces en caisse	\$ 385,239	\$ 2,410,741
Valeurs déposées par client — Obligations du gouverne- ment du Canada	200,000	150,000
Avances et paiements provisoires à des fournisseurs.....	7,698,454	7,796,275
	<u>\$ 8,283,693</u>	<u>\$ 10,357,016</u>

Certifié exact

Le contrôleur

(signature) G.F. WEVILL

Approuvé:

Le président

(signature) W. D. LOW

COMMERCIALE CANADIENNE

(Corporation commerciale canadienne)

mars 1957

ifs au 31 mars 1956)

GENERAL

P A S S I F

1956

1957

Dettes passives	\$ 3,667,920	\$ 3,457,241
Paiements anticipés à des clients à compte de projets au Canada	118,269,928	136,726,765
Crédits différés — excédent du prix d'achat	1,716	15,520
Fonds des employés — épargne du personnel, etc.	2,369	2,449
<i>Capital et surplus:</i>		
Gouvernement du Canada — avance de capitaux d'exploitation sous le régime de l'article 8 de la Loi sur la Corpo- ration commerciale canadienne	\$4,000,000	6,000,000
Surplus, conformément à l'état financier ci-joint	<u>1,049,385</u>	1,015,686
	5,049,385	
	<u>\$126,991,318</u>	<u>\$147,217,661</u>

D'AGENCE

Dettes passives	\$ 126,859	\$ 252,504
Envers client, valeurs déposées	200,000	150,000
Obligations envers des mandants — au titre d'avances reçues d'agences de divers gouvernements (y compris celui du Canada) et de certains organismes interna- tionaux	7,956,834	9,954,512
	<u>\$ 8,283,693</u>	<u>\$ 10,357,016</u>

Certifié conforme à mon rapport du 19 juin 1957 au ministre de la
Production de défense sous le régime de l'article 87 de la Loi sur l'administration
financière.

L'Auditeur général
(signature) WATSON SELLAR

CORPORATION COMMERCIALE CANADIENNE

Etat des recettes et des dépenses pour l'année terminée le 31 mars 1957

<u>1956</u>		<u>1957</u>
	<i>Recettes</i>	
	Excédent du prix d'achat obtenu de divers gouvernements (y compris celui du Canada) et d'organismes internationaux	\$ 164,468
\$205,754		
96,635	Intérêts	135,135
<u>\$302,389</u>		<u>\$ 299,603</u>
	<i>Dépenses</i>	
	Salaires et indemnités de subsistance (y compris salaires des membres de l'exécutif, \$32,750)	221,430
211,368		
	Contributions à la caisse de pension des employés, à la caisse de prestations au décès et à la caisse d'assurance-chômage	15,421
14,251		
	Téléphone, télégramme et affranchissement	15,043
14,389		
10,605	Loyers, éclairage et chauffage	10,789
10,797	Voyages	7,408
	Impressions, papeterie et fournitures de bureau	3,193
2,746		
	Autres dépenses (y compris rajustement des opérations de change du dollar des Etats-Unis, \$5,999)	6,948
319		
<u>264,475</u>		<u>280,232</u>
<u>\$ 37,914</u>	Revenu net	<u>\$ 19,371</u>

Etat du surplus pour l'année close le 31 mars 1957

Solde au début de l'année	\$ 1,015,686
Ajouter: Revenu net pour l'année, conformément à l'Etat des recettes et des dépenses	\$ 19,371
Excédent de provisions de l'année antérieure pour réclamations à l'égard de contrats et frais juridiques	14,328
Solde à la fin de l'année.....	33,699
	<u>\$ 1,049,385</u>

Statement of Income and Expense for the year ended March 31, 1957

1956

Purchase surcharge from various governments (including Canada) and international agencies \$205,754

\$302,389

\$

Salaries and living allowance (including executive officers' salaries)	\$32,750)
	211,368

211,368

Contribution to employees' superannuation, death benefit and unemployment insurance 14,251

15,421

14,389 Telephone, telegraph and postage

15,043

10,605 Rent, light and heat

10,789

10,797 Travel

7,408

Printing, stationery and office supplies 2,746

3,193

Other expenses (including United States dollar exchange adjustment)	\$5,999)
	<u>319</u>

6,948

\$ 37,914

264,475

618

Net income

Statement of Surplus for the year ended March 31, 1957

\$ 1,015,686

Add: Net income for the year, per Statement of Income and Expense.....

19,371

Excess provision in previous year
For contract claim and cost of
litigation

14,328

Balance at end of year

33,699

\$ 1,049,385

CIAL CORPORATION

Commercial Corporation Act)

March 31, 1957

es as at March 31, 1956)

ACCOUNT

LIABILITIES

1956		
	\$ 3,667,920	Accounts payable
		Advance payments by customers on projects in Canada
	1,716	Deferred credits — surcharge
	2,369	Employees' funds — staff savings, etc.
1957		
	\$ 3,457,241	
	136,726,765	
	15,520	
	2,449	

Capital and Surplus

		Government of Canada — advance for working capital provided under section 8 of the Canadian Commercial Corporation Act
	\$4,000,000	Surplus, per statement attached
	1,015,686	
	\$126,991,318	
	5,049,385	
	\$147,217,661	

ACCOUNT

	\$	Accounts payable
	126,859	Customer for security deposit
	200,000	Obligations to Principals — representing advances from agencies of various governments (including Canada) and certain international bodies
	7,956,834	
	\$ 8,283,693	
	9,954,512	
	\$ 10,357,016	

Certified in accordance with my report dated June 19, 1957, to the Minister of Defence Production under section 87 of the Financial Administration Act.

(Sgd.) WATSON SELLAR,
Auditor General of Canada

(Incorporated under the Canada

Balance Sheet as

(with comparative f

GENERA

A S S E T S

1957 1956

Cash \$ 3,730,467 \$ 5,585,185

Investments — \$186,200 Government of Canada Bonds,
at amortized cost (market value \$168,877) 188,489 188,895

Advances and progress payments to suppliers on custo-
mers' projects 119,436,652 139,288,285

Accounts and claims receivable 3,635,710 2,155,296

\$126,991,318 \$147,217,661

AGENC

Cash \$ 385,239 \$ 2,410,741

Security deposit by customer — Government of Canada
Bonds 200,000 150,000

Advance and progress payments to suppliers \$ 8,283,693 \$ 10,357,016
7,698,454 7,796,275

Certified correct
(Sgd.) G. F. WEVILL
Comptroller.
Approved
(Sgd.) W. D. LOW,
President.

Ottawa, June 19, 1957.

The Minister of Defence Production,

O t t a w a .

Sir,

The accounts and financial statements of Canadian Commercial Corporation have been examined for the year ended March 31, 1957, and certified financial statements are attached.

In compliance with Section 87 of the Financial Administration Act I report that, in my opinion:

a) proper books of account have been kept by the Corporation;

b) the financial statements of the Corporation

(i) were prepared on a basis consistent with that of the preceding year and are in agreement with the books of account.

(ii) in the case of the balance sheet, give a true and fair view of the state of the Corporation's affairs as at the end of the financial year, and

(iii) in the case of the statement of income and expense, give a true and fair view of the income and expense of the Corporation for the financial year; and

c) the transactions of the Corporation that have come under my notice have been within the powers of the Corporation under the Canadian Commercial Corporation Act and the Financial Administration Act.

Yours faithfully,

(Signed) WATSON SELLAR,
Auditor General.

arranged for shipment of such stores and equipment to the countries concerned.

The value of these contracts was approximately \$3,164,000. The corresponding figure for the previous year was \$6,005,000.

UNITED NATIONS AGENCIES

The total value of supplies contracted for during the fiscal year for the United Nations International Children's Emergency Fund (UNICEF) and the United Nations Korean Reconstruction Agency (UNKRA) amounted to \$142,000 as compared with \$694,000 in the previous year. These supplies consisted of operating room and laboratory equipment and supplies, and such other items as fish liver oil capsules, dried whole milk, text books, kerosene stoves, cement, nickel tires and tubes.

OTHER GOVERNMENTS

Purchases made on behalf of Australia, Belgium, Holland, India, Italy, Pakistan and South Africa amounted to \$342,000, as compared with \$897,225 in the previous fiscal year.

MISCELLANEOUS TRANSACTIONS

The total cost of live Rhesus monkeys imported from India amounted to \$636,000. The aircraft parts and accessories purchased from the Government of the United States amounted to \$1,207,000.

WORKING CAPITAL

During the year the Corporation refunded to the Receiver General of Canada out of its working capital of \$6,000,000 the sum of \$2,000,000, which sum was in excess of current needs.

STAFF

The staff of the Corporation as at March 31, 1957, totalled 49 persons including executive officers and administrative personnel at its head office in Ottawa, Canada, and at its office in Washington, D.C.

ACCOUNTS

The balance sheet of the Corporation as at March 31, 1957, and the statement of income and expense for the year ended that date, duly certified and approved, with report by the Auditor General, are set out on the following pages.

The value of deliveries made and work completed during the year as reflected in suppliers' invoices received by the Corporation totalled \$68,756,000. Deliveries in the previous year were \$81,228,000 which, together with NATO shipments of \$14,805,000 made by the Corporation during that year, brought the total to \$96,033,000.

As stated above, the total business under administration by the Corporation as at March 31, 1957, was approximately \$90,543,000. This represents the value of goods, commodities, services and projects to be delivered or completed. The corresponding figure for the previous year was \$117,170,000.

UNITED STATES MILITARY DEPARTMENTS

Of the total volume of business received by the Corporation in the amount of \$64,635,000 as stated above, the sum of \$33,200,000 represents contracts entered into with the United States Military Departments, as compared with \$46,600,000 for the previous fiscal year. These contracts covered chemicals, petroleum products, explosives, aircraft and spares, aircraft engine spares, modifications and overhaul of airframes and aircraft engines, training and field services, machines and machine tools, arctic sleds and spare parts, Cobalt "60", paper, radar, electronic and other communication systems, including equipment and services for the joint Canada-United States radar warning project known as Pinetree.

UNITED KINGDOM

Purchases of wheat, flour, vaccine and defence supplies were made in Canada on behalf of the United Kingdom War Office, the Admiralty and the Ministry of Health to a value of \$1,118,000 as compared with \$1,352,200 in the previous year.

COLOMBO PLAN

Contracts entered into on behalf of the Colombo Plan totalling \$25,141,000 for the benefit of India, Pakistan, Ceylon, Burma and Malaya represented an increase from \$21,785,000 in the previous year. These contracts covered equipment and engineering services required in connection with the erection and operation of hydro-electric power plants, generating stations, agricultural stations, transmissions lines and workshops, and they also covered aerial photographic surveys, flour, aircraft, locomotives, travelling cranes and telephone equipment.

NORTH ATLANTIC TREATY ORGANIZATION

On behalf of the Department of National Defence the Corporation entered into contracts for military stores and equipment being supplied by Canada to various countries of the North Atlantic Treaty Organization. The Corporation also

3. Defence supplies included in Canada's contribution to the North Atlantic Treaty Organization (NATO) were purchased and arrangements were made for shipment to the receiving countries.

4. The Corporation purchased goods and commodities in Canada for the United Nations International Children's Emergency Fund (UNICEF) and the United Nations Korean Reconstruction Agency (UNKRA). Contracts were also placed on behalf of the Supreme Headquarters Allied Powers in Europe (SHAPE) and the Commonwealth Institute of Biological Control.

5. Certain items not available from commercial sources were imported by the Corporation. This category included the continued importing, with the cooperation of the Government of India, of live Rhesus monkeys on behalf of the Department of National Health and Welfare for the production and testing of Salk anti-polio vaccine by the Connaught Medical Research Laboratories of the University of Toronto and the Institute of Microbiology and Hygiene of the University of Montreal. The Corporation also purchased aircraft parts from the Government of the United States for use by a Canadian aircraft manufacturer in the production of military aircraft for other governments, and aircraft accessories for a leading air transport company. These parts and accessories were not available on the commercial market.

METHODS OF OPERATION

When undertaking exporting or importing activities on behalf of governments and organizations, Canadian Commercial Corporation in some cases acts as agent of the government or organization concerned. In other cases the Corporation buys and sells on its own account as principal. It charges a nominal administration fee on all transactions except those entered into on behalf of the Government of the United States. This exception is due to the fact that that Government renders for Canada, without charge, similar procurement services in the United States.

The Corporation in most cases uses the purchasing facilities of the Department of Defence Production or, when construction engineering contracts are involved, the facilities of Defence Construction (1951) Limited, a Crown Company responsible to the Minister of Defence Production. Most inquiries and contracts are processed through that Department or Crown Company, as the case may be, after the Corporation has settled all details with the recipient government or organization.

VOLUME OF BUSINESS

The total value of supplies, services and projects called for in contracts and requisitions received by the Corporation during the fiscal year amounted to \$64,635,000, as compared with \$77,860,000 in the previous year.

ANNUAL REPORT OF

CANADIAN COMMERCIAL CORPORATION

Fiscal year ended March 31, 1957

Canadian Commercial Corporation was established in the year 1946 by Act of the Parliament of Canada as a Crown Corporation wholly owned by the Government of Canada.

The Corporation is responsible to the Minister of Defence Production and acts for him in a variety of buying and selling activities. One of its principal functions is to assist other governments in purchasing defence and other supplies in Canada. It also buys from other countries goods and commodities which can only be obtained on an inter-governmental basis. The Colombo Plan Administration and some agencies of the United Nations use the Corporation in purchasing their requirements.

The total business under administration by the Corporation as at March 31, 1957, was approximately \$90,543,000.

The principal activities of the Corporation during the fiscal year can be divided into the following categories.

1. The Corporation purchased goods, commodities and defence supplies in Canada on behalf of the governments of other countries, and arranged for the shipment of these purchases to the respective destinations. In this category, the Corporation undertook to purchase defence supplies on behalf of the United States Military Departments, the United Kingdom War Office, Admiralty and Ministry of Health and for the Governments of:

Australia	Italy
Belgium	Pakistan, and
Holland	South Africa.
India	

2. For the Department of Trade and Commerce, the Corporation purchased goods, commodities and services and placed contracts for various projects comprising Canada's contributions to the Colombo Plan and arranged shipments to the receiving countries.

CANADIAN COMMERCIAL CORPORATION
OTTAWA, CANADA

June 21, 1957.

Minister of Defence Production,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Income and Expenditure, as audited by the Auditor General of Canada, covering the year ending March 31, 1957.

Yours faithfully,

(Signed) W. D. LOW,
President.

CANADIAN COMMERCIAL CORPORATION

A Company wholly owned by the Government of Canada

Established by Canadian Commercial Corporation Act,
Statutes of Canada 1946, 10 George VI Chap. as amended
by Statutes of Canada 1947, II George VI, Chap. 51,
Statutes of Canada 1949, 13 George VI, Chap. 2,
Statutes of Canada 1950, 14 George VI, Chap. 51 and
Statutes of Canada 1951, 15 George VI, Chap. 13

DIRECTORS AND OFFICERS AS OF MARCH 31, 1957.

PRESIDENT

W. D. LOW

DIRECTORS

D. M. ERSKINE,
Director, General Purchasing Branch,
Department of Defence Production.

W. H. HUCK,
Assistant Deputy Minister,
Department of Defence Production.

FINLAY SIM,
Comptroller-Secretary,
Department of Trade and Commerce.

R. G. JOHNSON,
President,
Defence Construction (1951) Ltd.

OFFICERS

W. D. LOW,
President

F. F. WADDELL,
Secretary and Legal Adviser

HEAD OFFICE

No. 4 Temporary Building, 56 Lyon Street,
Ottawa, Ontario

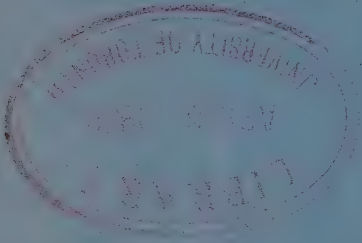
BRANCH OFFICE

2450 Massachusetts Ave.
Washington, D.C.

1956/57

APRIL 1, 1956 TO MARCH 31, 1957

ELEVENTH ANNUAL REPORT
TO THE
MINISTER OF DEFENCE PRODUCTION



CANADIAN
COMMERCIAL CORPORATION



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CANADIAN
COMMERCIAL CORPORATION



(TWELFTH) ANNUAL REPORT
TO THE
MINISTER OF DEFENCE PRODUCTION

APRIL 1, 1957 TO MARCH 31, 1958

CANADIAN COMMERCIAL CORPORATION

A Company wholly owned by the Government of Canada

Established by Canadian Commercial Corporation Act, Statutes of Canada
1946, 10 George VI Chap. 40, as amended by Statutes of Canada 1947,
II George VI, Chap. 51, 1949, 13 George VI, Chap. 2, 1950, 14
George VI, Chap. 51 and 1951, 15 George VI, Chap. 13.

BOARD OF DIRECTORS

W. D. LOW,
Chairman.

D. M. ERSKINE,
Director, General Purchasing Branch,
Department of Defence Production.

G. W. HUNTER,
Assistant Deputy Minister,
Department of Defence Production.

W. H. HUCK,
Assistant Deputy Minister,
Department of Defence Production.

FINLAY SIM,
Comptroller-Secretary,
Department of Trade and Commerce.

R. G. JOHNSON,
President,
Defence Construction (1951) Ltd.

OFFICERS

W. D. LOW,
President.

F. F. WADDELL,
Secretary and Legal Adviser.

G. F. WEVILL,
Comptroller.

HEAD OFFICE

No. 4 Temporary Building, 56 Lyon Street,
Ottawa, Ontario.

BRANCH OFFICE

2450 Massachusetts Ave.,
Washington, D.C.

CANADIAN COMMERCIAL CORPORATION
OTTAWA, CANADA

June 18, 1958.

The Honourable Raymond O'Hurley,
Minister of Defence Production,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Income and Expenditure, as audited by the Auditor General of Canada, covering the year ended March 31, 1958.

Yours faithfully,

(Signed) W. D. LOW,
President.

ANNUAL REPORT
OF
CANADIAN COMMERCIAL CORPORATION

Fiscal year ended March 31, 1958.

The Canadian Commercial Corporation was established in the year 1946 by Act of the Parliament of Canada as a Crown Corporation wholly owned by the Government of Canada. Its functions as set out in the Act, as amended, are:

- (a) To assist in the development of trade between Canada and other nations, and
- (b) To assist persons in Canada
 - (1) to obtain goods and commodities from outside Canada, and
 - (2) to dispose of goods and commodities that are available for export from Canada;
- (c) To exercise on behalf and under the direction of the Minister of Defence Production any powers or functions vested in the Minister by any other Act that authorizes the Minister to employ the Corporation to exercise them.

HISTORICAL BACKGROUND

By the terms of the Act, the Corporation took over in 1946 the whole of the undertakings of the Canadian Export Board, which at that time was carrying out procurement functions in Canada on behalf of various foreign governments and on behalf of the United Nations Relief and Rehabilitation Administration (UNRRA). The Corporation continued those activities and it also undertook to procure the Canadian requirements of various other relief programmes and organizations which came into being in the post-war years, such as the Canadian post-UNRRA relief programme, United Nations International Children's Emergency Fund and United Nations Relief for Palestine Refugees.

By Order in Council P.C. 314 of 5th February, 1947, the power, duty and function which had been vested in the Minister of Reconstruction and Supply to purchase the requirements of the Department of National Defence was transferred to the Corporation, together with the necessary staff. These duties were fulfilled by the Corporation until the Department of Defence Production came into being on April 1st, 1951, following the outbreak of hostilities in Korea.

However, the Corporation retained all its other functions, amongst the most important of which was the procurement in Canada of the requirements

of the United States Military Departments, constituting one part of the common defence efforts of the two countries pursuant to the Hyde Park Agreement. This continues to be one of the Corporation's major activities, the total value of contracts placed in Canada on behalf of the U.S. Military Departments up to March 31st, 1958, being over \$698,000,000.

In 1952, the Corporation accepted the responsibility for purchasing and shipping all the requirements of the Colombo Plan, and this also has continued to be a major activity.

In addition to the activities mentioned above, the Corporation has from time to time engaged in numerous importing and exporting transactions on behalf of various Canadian Government Departments and agencies, and it has also engaged in various transactions on behalf of commercial firms involving the importing and exporting of supplies which could not be procured or supplied through normal commercial channels.

The total value of the contracts entered into by the Corporation from its inception to March 31st, 1958, was \$2,557,000,000, which included contracts to a total value of \$1,136,000,000 entered into on behalf of the Department of National Defence prior to April 1st, 1951.

Most of the executive officers and key members of the staff were drawn from the former Department of Munitions and Supply and have been with the Corporation since its inception. With the experience gained in purchasing, financing and shipping an incredibly wide variety of products, the Corporation is in a unique position to be of service to the Government and industry.

PRINCIPAL ACTIVITIES DURING FISCAL YEAR 1957-1958

1. The Corporation purchased goods, commodities and defence supplies in Canada on behalf of the governments of other countries, and arranged for the shipment of these purchases to the respective destinations. In this category, the Corporation undertook to purchase defence supplies on behalf of the United States Military Departments, the United Kingdom War Office, Ministry of Health and Ministry of Supply and for the Governments of:

Australia	Mozambique
Belgium	Norway
Dominican Republic	Pakistan
France	Portugal, and
India	South Africa

2. For the Department of Trade and Commerce, the Corporation purchased goods, commodities and services and placed contracts for various projects comprising Canada's contributions to the Colombo Plan and arranged shipments to the receiving countries.

3. Defence supplies included in Canada's contribution to the North Atlantic Treaty Organization (NATO) were purchased and arrangements were made for shipment to the receiving countries.

4. The Corporation purchased goods and commodities in Canada for the United Nations International Children's Emergency Fund (UNICEF). Contracts were also placed on behalf of the Supreme Headquarters Allied Powers in Europe (SHAPE) and the Commonwealth Institute of Biological Control.

5. Certain items not available from commercial sources were imported by the Corporation. This category included the continued importing, with the co-operation of the Government of India, of live Rhesus monkeys on behalf of the Department of National Health and Welfare for the production and testing of Salk anti-polio vaccine by the Connaught Medical Research Laboratories of the University of Toronto and the Institute of Microbiology and Hygiene of the University of Montreal. Purchases of equipment and aircraft parts, not available from commercial sources, were made by the Corporation from the Government of the United States, on behalf of certain Canadian firms.

METHODS OF OPERATION

When undertaking exporting or importing activities on behalf of governments and organizations, Canadian Commercial Corporation in some cases acts as agent of the government or organization concerned. In other cases the Corporation buys and sells on its own account as principal. It charges a nominal administration fee on all transactions except those entered into on behalf of the Government of the United States. This exception is due to the fact that that Government renders for Canada, without charge, similar procurement services in the United States.

The Corporation in most cases uses the purchasing facilities of the Department of Defence Production or, when construction engineering contracts are involved, the facilities of Defence Construction (1951) Limited, a Crown Company responsible to the Minister of Defence Production. Most inquiries and contracts are processed through that Department or Crown Company, as the case may be, after the Corporation has settled all details with the recipient government or organization.

VOLUME OF BUSINESS

The total value of supplies, services and projects called for in contracts and requisitions received by the Corporation during the fiscal year amounted to \$98,451,000, as compared with \$64,635,000 in the previous year.

The value of deliveries made and work completed during the year as reflected in suppliers' invoices received by the Corporation totalled \$86,456,000, as compared with \$68,756,000 in the previous year.

The total business under administration by the Corporation as at March 31, 1958, was approximately \$101,530,000. This represents the value of goods, commodities, services and projects to be delivered or completed. The corresponding figure for the previous year was \$90,543,000.

UNITED STATES MILITARY DEPARTMENTS

Of the total volume of business received by the Corporation in the amount of \$98,451,000 as stated above, the sum of \$74,068,000 represents contracts entered into with the United States Military Departments, as compared with \$33,200,000 for the previous fiscal year. These contracts covered chemicals, petroleum products, explosives, aircraft and spares, aircraft engine spares, modification and overhaul of airframes and aircraft engines, aircraft maintenance, training and field services, machines and machine tools, snow-mobiles, arctic sleds and spare parts, iridium, paper, radar, electronic equipment and spares and electronic communication systems (including equipment and services for the joint Canada-United States radar warning project known as Pinetree), and transportation of supplies for certain DEW Line sites.

UNITED KINGDOM

Purchases of flour, vaccine and defence supplies were made in Canada on behalf of the United Kingdom War Office, the Ministry of Health and the Ministry of Supply to a value of \$564,800 as compared with \$1,118,000 in the previous year.

COLOMBO PLAN

Contracts entered into on behalf of the Colombo Plan totalling \$17,527,000 for the benefit of India, Pakistan, Ceylon, Burma, Malaya, Indonesia and Singapore represented a decrease from \$25,141,000 in the previous year. These contracts covered equipment and engineering services required in connection with the erection and operation of hydro-electric power plants, generating stations, agricultural stations, transmission lines and workshops, and they also covered aerial photographic surveys, flour, automotive equipment, travelling cranes and telephone equipment. Expenditures made during the year amounted to \$24,900,000.

NORTH ATLANTIC TREATY ORGANIZATION

On behalf of the Department of National Defence the Corporation entered into contracts for military stores and equipment comprising part of Canada's contributions under the North Atlantic Treaty Organization. The Corporation also arranged for shipment of such stores and equipment to the countries concerned.

UNITED NATIONS AGENCIES

The total value of supplies contracted for during the fiscal year for the United Nations International Children's Emergency Fund (UNICEF) amounted to \$3,606 as compared with \$142,000 in the previous year. These purchases covered various items of general supplies and Canadian publications.

OTHER GOVERNMENTS

Purchases made on behalf of Australia, Belgium, Dominican Republic, France, India, Mozambique, Norway, Pakistan, Portugal and South Africa amounted to \$457,000, as compared with \$342,000 in the previous fiscal year.

MISCELLANEOUS TRANSACTIONS

The total cost of live Rhesus monkeys imported from India amounted to \$571,000.

The value of aircraft parts and equipment purchased from the Government of the United States on behalf of Canadian firms amounted to \$194,440.

At the request of the Department of External Affairs, the Corporation purchased 60,000 long tons of Canadian flour at a cost of approximately \$4,500,000. Of this quantity, 40,000 tons are being shipped to the Government of Ceylon to relieve a food shortage and 20,000 tons are being shipped to United Nations Relief and Works Agency in Lebanon for relief purposes in the Near East.

The value of stores purchased and exported on behalf of the Commonwealth Institute of Biological Control was \$8,300.

STAFF

The staff of the Corporation as at March 31, 1958, totalled 49 persons, including executive officers and administrative personnel at its head office in Ottawa, Canada, and at its office in Washington, D.C.

ACCOUNTS

The balance sheet of the Corporation as at March 31, 1958, and the statement of income and expense for the year ended that date, duly certified and approved, with report by the Auditor General, are set out on the following pages.

Ottawa, June 17, 1958.

The Honourable Raymond O'Hurley,
Minister of Defence Production,
Ottawa, Ontario.

Sir,

The accounts and financial statements of Canadian Commercial Corporation have been examined for the year ended March 31, 1958, and certified financial statements are attached.

In compliance with section 87 of the Financial Administration Act I report that, in my opinion:

- (a) proper books of account have been kept by the Corporation;
- (b) the financial statements of the Corporation
 - (i) were prepared on a basis consistent with that of the preceding year and are in agreement with the books of account,
 - (ii) in the case of the balance sheet, give a true and fair view of the state of the Corporation's affairs as at the end of the financial year, and
 - (iii) in the case of the statement of income and expense, give a true and fair view of the income and expense of the Corporation for the financial year; and
- (c) the transactions of the Corporation that have come under my notice have been within the powers of the Corporation under the Canadian Commercial Corporation Act and the Financial Administration Act.

Yours faithfully,

(Signed) WATSON SELLAR,
Auditor General.

CANADIAN COMMER

(Incorporated under the Canadian

Balance Sheet a

ASSETS

1958

1957

GENERAL

Cash	\$ 2,493,829	\$ 3,730,467
Deposit with the Receiver General of Canada.....	600,000	—
Investments—\$186,200 Government of Canada Bonds, at amortized cost (market value \$179,135)	188,083	188,489
Advances and progress payments to suppliers on customers' projects	130,109,500	119,436,652
Accounts and claims receivable	5,959,265	3,635,710
	<u>\$139,350,677</u>	<u>\$126,991,318</u>

AGENCY

Cash	\$ 204,399	\$ 385,239
Security deposit by contractor — Government of Canada bonds, at par	200,000	200,000
Advances and progress payments to suppliers..	6,999,225	7,698,454
	<u>\$ 7,403,624</u>	<u>\$ 8,283,693</u>

Certified correct

(Sgd.) G. F. WEVILL, Comptroller.

Approved

(Sgd.) W. D. LOW, President.

IAL CORPORATION

(Commercial Corporation Act)

at March 31, 1958

	LIABILITIES	1958	1957
ACCOUNT			
Accounts payable		\$ 5,521,469	\$ 3,672,005
Advance payments by customers on projects in Canada		128,766,482	118,269,928
Capital and Surplus			
Government of Canada—advance for working capital provided under section 8 of the Canadian Commercial Corporation Act	\$4,000,000		
Surplus, per statement attached	1,062,726		
		5,062,726	5,049,385
		<u>\$139,350,677</u>	<u>\$126,991,318</u>

ACCOUNT

Accounts payable	\$	85,797	\$	126,859
Contractor for security deposit		200,000		200,000
Obligations to principals — representing ad- vances from agencies of various governments and certain international bodies		7,117,827		7,956,834
	\$	<u>7,403,624</u>	\$	<u>8,283,693</u>

Certified in accordance with my report dated June 17, 1958, to the Minister of Defence Production under section 87 of the Financial Administration Act.

(Sgd.) WATSON SELLAR,
Auditor General of Canada.

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expense for the year ended March 31, 1958

1957

1958

Income

\$164,468	Purchase surcharge from various governments (including Canada) and international agencies	\$161,457
135,135	Interest earned	140,430
5,999	United States dollar exchange adjustment..	3,948
<u>293,604</u>		<u>\$ 305,835</u>

Expense

221,430	Salaries and living allowances (including executive officers' salaries \$36,250)	238,202
15,421	Contribution to employees' superannuation, death benefit and unemployment insurance	14,840
15,043	Telephone, telegraph and postage	16,199
10,789	Rent, light and heat	11,340
7,408	Travel	6,523
3,193	Printing, stationery and office supplies	3,933
949	Other expenses	1,457
<u>274,233</u>		<u>292,494</u>
<u>\$ 19,371</u>	Net income	<u>\$ 13,341</u>

Statement of Surplus for the year ended March 31, 1958

Balance at beginning of year	\$1,049,385
Add: Net income for the year, per Statement of Income and Expense	13,341
Balance at end of year	<u>\$1,062,726</u>

CORPORATION COMMERCIALE CANADIENNE

Etat des recettes et des dépenses pour l'année terminée le 31 mars 1958

1957 1958

Recettes

Excédent du prix d'achat obtenu de divers gouvernements (Y compris celui du Canada) et d'organismes internationaux	\$164,468	Intérêts	140,430
Rajustements, cours du dollar des Etats-Unis	5,999		3,948
\$293,604			\$ 305,835

Dépenses

Salaires et indemnités de subsistance (Y compris salaires des membres de l'exécutif, (\$36,250)	221,430	Contributions à la caisse de pension des employés, à la caisse de prestations au décès et à la caisse d'assurance-chômage	14,840
Téléphone, télégramme et affranchissement	15,043	Loyers, éclairage et chauffage	11,340
	7,408	Voyages	6,523
Impressions, papeterie et fournitures de bureau	3,193	Autres dépenses	1,457
274,233			292,494
\$ 19,371			\$ 13,341

Etat du surplus pour l'année close le 31 mars 1958

Solde au début de l'année	\$1,049,385
Ajouter: Revenu net pour l'année, conformément à l'état des recettes et des dépenses	13,341
Solde à la fin de l'année	\$1,062,726

Passif

1957		
	\$ 3,672,005	Dettes passives
	\$ 5,521,469	Paiements anticipés par des clients à compte de projets au Canada
	128,766,482	Capital et surplus:
		Gouvernement du Canada—avance de capitaux d'exploitation sous le régime de l'article 8 de la Loi sur la Corporation commerciale canadienne
	\$4,000,000	Surplus, conformément à l'état financier ci-joint
	5,062,726	
	\$139,350,677	
	5,049,385	
	\$126,991,318	

D'AGENCE

	\$ 85,797	Dettes passives
		Envers entrepreneur, valeurs déposées
	200,000	Obligations envers des mandants—au titre d'avances reçues d'agences de divers gouvernements et de certains organismes internationaux
	7,117,827	
	\$ 7,403,624	
	7,956,834	
	\$ 8,283,693	

Certifié conforme à mon rapport du 17 juin 1958 au ministre de la Production de défense sous le régime de l'article 87 de la Loi sur l'administration financière.

L'Auditeur général du Canada
 (signature) WATSON SELLAH

COMPTE

Actif

1957	1958
\$ 3,730,467	\$ 2,493,829
—	600,000

..... Espèces en caisse

..... Dépôt chez le Receveur général du Canada

..... Placements—Obligations du gouvernement du Canada, \$186,200, coût amorti (valeur marchande \$179,135)

188,083	188,489
---------	---------

..... Avances et paiements provisionnels à des fournisseurs, à compte de projets de clients

130,109,500	119,436,652
-------------	-------------

..... Dettes et réclamations actives

5,959,265	3,635,710
\$139,350,677	\$126,991,318

COMPTE

..... Espèces en caisse

..... Valeurs déposées par entrepreneur—Obligations du gouvernement du Canada, au pair

200,000	200,000
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..... Avances et paiements provisionnels à des fournisseurs

6,999,225	7,698,454
-----------	-----------

\$ 7,403,624	\$ 8,283,693
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Certifié exact

Le contrôleur

(signature) G. F. WEVILL

Approuvé

Le président

(signature) W. D. LOW

Ottawa, le 17 juin 1958.

L'Honorable Raymond O'Hurley,

Ministre de la Production de défense,

O t t a w a .

Monsieur le Ministre,

Après un examen des comptes et des états financiers de la Corporation commerciale canadienne pour l'exercice terminé le 31 mars 1957, je vous envoie ci-joint une série des états financiers en question.

Ainsi que l'exige l'article 87 de la Loi sur l'administration financière, je déclare que, à mon avis

a) la Corporation a tenu les livres de comptabilités appropriés;

b) les états financiers de la Corporation

- (i) ont été préparés sur une base compatible avec celle de l'année précédente et sont conformes aux livres de comptabilité,
- (ii) dans le cas du bilan, présentent de façon exacte et fidèle la situation de la Corporation à la fin de l'exercice financier, et
- (iii) dans le cas de l'état des recettes et des dépenses, donnent une idée exacte et fidèle des recettes et des dépenses de la Corporation pendant l'exercice financier, et

c) les opérations de la Corporation qui sont venues à ma connaissance étaient dans les limites de la compétence que lui accordent la Loi sur la Corporation commerciale canadienne et la Loi sur l'administration financière.

Veillez agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

L'Auditeur général

(Signature) WATSON SELLAR

Etats-Unis pour le compte de sociétés canadiennes se sont chiffrés à \$194,440. A la demande du ministre des Affaires extérieures, la Corporation a acheté 60,000 tonnes fortes de farine canadienne pour environ \$4,500,000. De cette quantité, on a expédié 40,000 tonnes au gouvernement de Ceylan pour remédier à une disette de vivres et 20,000 tonnes à l'Organisation de secours et de travaux des Nations Unies au Liban à des fins de secours. La valeur des approvisionnements achetés et exportés pour le compte de l'Institut de répression biologique du Commonwealth a été de \$8,300.

PERSONNEL

Le 31 mars 1958, le personnel de la Corporation se composait de 49 personnes, y compris tout le personnel directeur et administratif du siège social à Ottawa (Canada) et de la succursale de Washington (D.C.).

ETAT FINANCIER

Vous trouverez aux pages qui suivent le bilan de la Corporation, arrêté au 31 mars 1958, et l'état des recettes et des dépenses pour l'exercice financier terminé à la même date, dûment certifiés et approuvés, ainsi que le rapport de l'Auditeur général.

PLAN DE COLOMBO

Les contrats conclus pour le compte de l'Administration du Plan de Colombo, à l'intention de l'Inde, du Pakistan, de Ceylan, de la Birmanie, de la Malaisie, de l'Indonésie et de Singapour, se sont établis à \$17,527,000, ou à sensiblement moins que le chiffre de \$25,141,000 de l'année précédente. Ces contrats ont compris le matériel et les services de génie nécessaires à la construction et à l'exploitation d'installations hydro-électriques, de centrales génératrices, de stations agricoles, de lignes de transmission et d'at-lers, ainsi que des levés photographiques aériens, de la farine, du matériel automobile, des grues mobiles et du matériel téléphonique. Les dépenses de l'année se sont élevées à \$24,900,000.

ORGANISATION DU TRAITE DE L'ATLANTIQUE NORD

La Corporation a conclu au nom du ministère de la Défense nationale des contrats visant les approvisionnements et le matériel militaires que le Canada fournit comme partie de sa contribution à l'Organisation du Traité de l'Atlantique Nord. Elle a vu aussi à faire expédier ces approvisionnements et ce matériel aux pays intéressés.

INSTITUTIONS DE L'ORGANISATION DES NATIONS UNIES

La valeur globale des approvisionnements compris dans les contrats passés au cours de l'année financière pour le compte du Fonds international des Nations Unies pour le secours à l'enfance (FISE) a été de \$3,606, comparativement à \$142,000 en 1956-1957. Ces approvisionnements ont compris divers articles d'ordre général et des publications canadiennes.

AUTRES GOUVERNEMENTS

Les achats effectués au nom de l'Afrique du Sud, de l'Australie, de la Belgique, de la France, de l'Inde, du Mozambique, de la Norvège, du Pakistan, du Portugal et de la République Dominicaine se sont élevés à \$457,000, comparativement à \$342,000 l'année financière précédente.

OPERATIONS DIVERSES

Le coût total des singes vivants importés de l'Inde a été de \$571,000.

Les achats de pièces et d'accessoires d'avions du gouvernement des

VALEUR DES OPERATIONS

La valeur globale des contrats passés et des commandes reçues par la Corporation au cours de l'année financière, à l'égard d'approvisionnement, de services et de projets, a été de \$98,451,000, comparativement à \$64,635,000 l'année précédente.

Les livraisons effectuées et les travaux terminés au cours de l'année se sont établis, d'après les factures que la Corporation a reçues des fournisseurs, à \$86,456,000, contre \$68,756,000 l'année précédente.

Les affaires gérées par la Corporation le 31 mars 1958 s'élevaient, dans l'ensemble, à quelque \$101,530,000. Ce montant représente la valeur des marchandises, denrées et services non encore livrés et des projets inchevés. Le chiffre correspondant de l'année précédente était de \$90,543,000.

DEPARTEMENTS MILITAIRES DES ETATS-UNIS

De la valeur globale des commandes reçues par la Corporation soit, comme il est indiqué plus haut, \$98,451,000, la somme de \$74,068,000 représente des contrats conclus avec les départements militaires des Etats-Unis; le montant avait été de \$33,200,000 l'année précédente. Ces contrats visaient des produits chimiques, des produits du pétrole, des explosifs, des avions et pièces d'avions, des pièces de moteurs d'avions, la modification et la remise en état de fuselages et de moteurs d'avions, l'entretien d'avions, des services d'instruction et des services en campagne, des machines et des machines-outils, des autoneiges, des traîneaux et des pièces de traîneaux pour l'Arctique, de l'iridium, du papier, du matériel de radar, du matériel et des pièces de matériel électronique et des appareils de transmission électroniques, y compris du matériel et des services destinés au projet canado-américain d'alerte au moyen du radar, connu sous le nom de "Pinetree", et le transport d'approvisionnement à certains points de la ligne DEW.

ROYAUME-UNI

Des achats de farine, de vaccins et de fournitures pour la défense ont été effectués au Canada pour le compte du ministère de la Guerre, du ministère de la Santé et du ministère des Approvisionnements du Royaume-Uni; leur valeur a été de \$564,800 contre \$1,118,000 l'année précédente.

2. La Corporation a, pour le compte du ministère du Commerce, acheté des marchandises, denrées et services et passé des contrats visant divers projets compris dans la contribution du Canada au Plan de Colombo et vu à l'expédition aux pays destinataires des objets ainsi obtenus.

3. La Corporation a acheté et expédié aux pays destinataires des approvisionnement de défense compris dans la contribution du Canada à l'Organisation du Traité de l'Atlantique-Nord (OTAN).

4. La Corporation a acheté des marchandises et des produits au Canada pour le compte du Fonds international des Nations Unies pour le secours à l'enfance (FISE). Elle a également passé des contrats au nom du Quartier général du commandement suprême des puissances alliées en Europe (SHAPE) et de l'Institut de répression biologique du Commonwealth.

5. Enfin, elle a importé certains articles qui ne pouvaient être obtenus par les voies ordinaires du commerce. C'est ainsi qu'à la demande du ministère de la Santé nationale et du Bien-être social et avec la collaboration du gouvernement de l'Inde, elle a continué d'importer des singes rhésus vivants pour la production et l'essai du vaccin Salk contre la poliomyélite dans les Laboratoires de recherche médicale Connaught de l'Université de Toronto et l'Institut de microbiologie et d'hygiène de l'Université de Montréal. Elle a également acheté du gouvernement des États-Unis, pour le compte de certaines sociétés canadiennes, des pièces et du matériel d'avions que les intéressés ne pouvaient obtenir sur le marché ordinaire.

FONCTIONNEMENT

Lorsqu'elle entreprend d'exporter ou d'importer des marchandises ou des services au nom de gouvernements et d'organisations, la Corporation commerciale canadienne fait, dans certains cas, fonction d'agent du gouvernement ou de l'organisation intéressée. Dans d'autres, elle achète et vend pour son propre compte en qualité de mandant. Pour les opérations dont elle se charge, elle exige des frais d'administration nominaux des bénéficiaires, sauf du gouvernement des États-Unis qui rend gratuitement au Canada des services du même genre.

Dans la plupart des cas, la Corporation utilise les services d'achat du ministère de la Production de défense ou, lorsqu'il s'agit de contrats de construction, ceux de la Défense Construction (1951) Limited, société de la Couronne qui relève du ministère de la Production de défense. C'est à ce Ministère ou à cette Société de la Couronne, selon le cas, que sont confiées la plupart des demandes de renseignements et la conclusion des marchés, une fois que la Corporation a réglé tous les détails avec le gouvernement ou l'organisation destinataire.

Afrique du Sud	Inde
Australie	France
Norvège	Belgique
Mozambique	Pakistan
	Portugal
	République Dominicaine

vernements des pays suivants:

1. La Corporation a acheté au Canada pour le compte de gouvernements étrangers des marchandises, denrées et approvisionnements destinés à la défense et les a expédiés à leurs destinations respectives. Elle s'est engagée à acheter du matériel de défense au nom des départements militaires des Etats-Unis, du ministère de la Guerre, du ministère de la Santé et du ministère des Approvisionnements du Royaume-Uni de même que pour les gou-

PRINCIPAUX CHEFS D'ACTIVITE EN 1957-1958

La plupart des dirigeants et des principaux fonctionnaires sont venus de l'ancien ministère des Munitions et des Approvisionnements et font partie du personnel de la Corporation depuis ses débuts. Grâce à l'expérience qu'elle a acquise dans l'achat, le financement et l'expédition d'une variété incroyable de produits, la Corporation est dans une situation incomparable pour servir le gouvernement et l'industrie.

La valeur globale des marchés conclus par la Corporation depuis son établissement jusqu'au 31 mars 1958, y compris des contrats d'une valeur globale de \$1,136,000,000 passés pour le compte du ministère de la Défense nationale avant le 1er avril 1951, est de \$2,557,000,000.

En outre, la Corporation a, à l'occasion, fait de nombreuses importations et exportations pour le compte de divers ministères et organismes du gouvernement canadien ou de maisons d'affaires qui n'arrivaient pas à obtenir leurs approvisionnements par les voies ordinaires du commerce.

En 1952, la Corporation a accepté la tâche également importante d'acheter et d'expédier toutes les marchandises fournies par le Canada aux termes du Plan de Colombo.

Canada pour le compte de ces départements américains dépassait \$698,000,000. L'Accord de Hyde Park. Cette tâche demeure l'une des principales de la Corporation et le 31 mars 1958, la valeur globale des contrats passés au

RAPPORT DE LA

CORPORATION COMMERCIALE CANADIENNE

sur l'activité de l'année financière close le 31 mars 1958

La Corporation commerciale canadienne a été établie en 1946, aux termes d'une loi du Parlement du Canada, comme société de la Couronne appartenant entièrement au gouvernement du Canada. Ses fonctions, telles qu'elles sont exposées dans la loi sous sa forme actuelle, sont les suivantes:

- a) aider à l'expansion du commerce entre le Canada et d'autres nations;
- b) aider des personnes au Canada
- (i) à obtenir des marchandises et denrées en dehors du Canada, et (ii) à placer des marchandises et denrées exportables du Canada;
- c) exercer, au nom et sous la direction du ministre de la Production de défense, tous pouvoirs ou fonctions attribués au Ministre par quelque autre loi autorisant celui-ci à employer la Corporation pour les exercer.

HISTORIQUE

Ainsi que le prévoyait la Loi, la Corporation a assumé, en 1946, toutes les fonctions de l'ancienne Commission canadienne d'exportation qui, alors, s'occupait d'effectuer au Canada des achats pour le compte de divers gouvernements étrangers et de l'Administration de Secours et de Rétablissement des Nations Unies (UNRRA). Tout en continuant ce travail, elle s'est chargée d'acheter les articles nécessaires à la contribution du Canada à divers autres programmes et organismes de secours qui ont pris naissance après la guerre, dont le programme canadien de secours postérieur à l'UNRRA, le Fonds international des Nations Unies pour le secours à l'enfance et l'Office de secours des Nations Unies pour les réfugiés de Palestine.

Par l'arrêté en conseil C.P. 314, du 5 février 1947, la Corporation a reçu, en même temps que le personnel nécessaire, les pouvoirs, devoirs et fonctions du Ministre de la Reconstruction et des Approvisionnements pour l'achat des produits et services requis par le ministère de la Défense nationale. Ce nouveau rôle lui est resté dévolu jusqu'à l'établissement du ministère de la Production de défense, le 1er avril 1951, à la suite de l'ouverture des hostilités en Corée.

Cependant, la Corporation a conservé toutes ses autres fonctions dont une des plus importantes est l'acquisition au Canada des approvision-

CORPORATION COMMERCIALE CANADIENNE

Ottawa (Canada)

le 18 juin 1958

L'honorable Raymond O'Hurley

Ministre de la Production de défense

Ottawa (Ontario)

Monsieur le Ministre,

J'ai l'honneur de vous présenter, conformément à l'article 13 (1) de la Loi de 1946 sur la Corporation commerciale canadienne, le rapport de la Corporation commerciale canadienne, ainsi que son bilan et son état des recettes et des dépenses, vérifiés par l'Auditeur général du Canada, pour l'année close le 31 mars 1958.

Veuillez agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

Le président,

(Signature) W. D. LOW.

CORPORATION COMMERCIALE CANADIENNE

Société appartenant entièrement au gouvernement du Canada
Etablie par la Loi sur la Corporation commerciale canadienne,
Statuts du Canada 1946, 10 George VI, chap. 40, modifiée
par les Statuts du Canada 1947, II George VI, chap. 51,
1949, 13 George VI, chap. 2, 1950, 14 George VI,
chap. 51 et 1951, 15 George VI, chap. 13.

CONSEIL D'ADMINISTRATION

Président du Conseil,
M. W. D. LOW.

ADMINISTRATEURS

M. D. M. ERSKINE, Directeur, Division générale des
achats,
M. G. W. HUNTER, Sous-ministre adjoint.

Ministère de la Production de
défense.

M. W. H. HUCK,

Sous-ministre adjoint,

Ministère de la Production

de défense.

M. R. G. JOHNSON,

Président,

Defence Construction (1951) Ltd.

DIRECTEURS

M. W. D. LOW,

Président.

M. F. F. WADELLE, M. G. F. WEVILL,

Secrétaire et conseiller juridique.

Contrôleur.

SIEGE SOCIAL

Edifice temporaire N° 4, 56, rue Lyon
OTTAWA (Ontario)

SUCCESSALE

2450 Massachusetts Ave.
Washington (D.C.)

DU 1ER AVRIL 1957 AU 31 MARS 1958

DOUZIEME RAPPORT ANNUEL
AU
MINISTRE DE LA PRODUCTION DE DEFENSE

CORPORATION
COMMERCIALE CANADIENNE



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DP 73
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Government
Publications

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1958/59~~



CANADIAN
COMMERCIAL CORPORATION

156 (1958/59)



THIRTEENTH ANNUAL REPORT
TO THE
MINISTER OF DEFENCE PRODUCTION

APRIL 1, 1958 TO MARCH 31, 1959

CANADIAN COMMERCIAL CORPORATION

A Company wholly owned by the Government of Canada

Established by Canadian Commercial Corporation Act, Statutes of Canada
1946, 10 George VI Chap. 40, as amended by Statutes of Canada 1947,
II George VI, Chap. 51, 1949, 13 George VI, Chap. 2, 1950, 14
George VI, Chap. 51 and 1951, 15 George VI, Chap. 13.

BOARD OF DIRECTORS

D. M. ERSKINE,
Director, General Purchasing Branch,
Department of Defence Production.

G. W. HUNTER,
Assistant Deputy Minister,
Department of Defence Production.

W. H. HUCK,
Assistant Deputy Minister,
Department of Defence Production.

FINLAY SIM,
Comptroller-Secretary,
Department of Trade and Commerce.

R. G. JOHNSON,
President,
Defence Construction (1951) Ltd.

OFFICERS

F. F. WADDELL,
Secretary and Legal Adviser.

W. R. HARRIS,
Assistant to the President.

G. F. WEVILL,
Comptroller.

HEAD OFFICE

No. 4 Temporary Building, 56 Lyon Street,
Ottawa, Ontario.

BRANCH OFFICE

2450 Massachusetts Ave.,
Washington, D.C.

CANADIAN COMMERCIAL CORPORATION
OTTAWA, CANADA

June 19, 1959

The Honourable Raymond O'Hurley,
Minister of Defence Production,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Income and Expenditure, as audited by the Auditor General of Canada, covering the year ended March 31, 1959.

Yours faithfully,

(Signed) G. W. HUNTER
Director.

ANNUAL REPORT
OF
CANADIAN COMMERCIAL CORPORATION

Fiscal year ended March 31, 1959.

The Canadian Commercial Corporation was established in the year 1946 by Act of the Parliament of Canada as a Crown Corporation wholly owned by the Government of Canada. Its functions as set out in the Act, as amended, are:

- (a) To assist in the development of trade between Canada and other nations, and
- (b) To assist persons in Canada
 - (1) to obtain goods and commodities from outside Canada, and
 - (2) to dispose of goods and commodities that are available for export from Canada;
- (c) To exercise on behalf and under the direction of the Minister of Defence Production any powers or functions vested in the Minister by any other Act that authorizes the Minister to employ the Corporation to exercise them.

HISTORICAL BACKGROUND

By the terms of the Act, the Corporation took over in 1946 the whole of the undertakings of the Canadian Export Board, which at that time was carrying out procurement functions in Canada on behalf of various foreign governments and on behalf of the United Nations Relief and Rehabilitation Administration (UNRRA). The Corporation continued those activities and it also undertook to procure the Canadian requirements of various other relief programmes and organizations which came into being in the post-war years, such as the Canadian post-UNRRA relief programme, United Nations Children's Fund and United Nations Relief for Palestine Refugees.

By Order in Council P.C. 314 of 5th February, 1947, the power, duty and function which had been vested in the Minister of Reconstruction and Supply to purchase the requirements of the Department of National Defence was transferred to the Corporation, together with the necessary staff. These duties were fulfilled by the Corporation until the Department of Defence Production came into being on April 1st, 1951, following the outbreak of hostilities in Korea.

However, the Corporation retained all its other functions, amongst the most important of which was the procurement in Canada of the requirements of the United States Military Departments, constituting one part of the common defence efforts of the two countries pursuant to the Hyde Park Agreement. This continues to be one of the Corporation's major activities, the total value of contracts placed in Canada on behalf of the U.S. Military Departments up to March 31st, 1959, being over \$766,000,000.

In 1952, the Corporation accepted the responsibility for purchasing and shipping all the requirements of the Colombo Plan, and this also has continued to be a major activity.

In addition to the activities mentioned above, the Corporation has from time to time engaged in numerous importing and exporting transactions on behalf of various Canadian Government Departments and agencies, and it has also engaged in various transactions on behalf of commercial firms involving the importing and exporting of supplies which could not be procured or supplied through normal commercial channels.

The total value of the contracts entered into by the Corporation from its inception to March 31st, 1959, was \$2,649,900,000, which included contracts to a total value of \$1,136,000,000 entered into on behalf of the Department of National Defence prior to April 1st, 1951.

Most of the executive officers and key members of the staff were drawn from the former Department of Munitions and Supply and have been with the Corporation since its inception. With the experience gained in purchasing, financing and shipping an incredibly wide variety of products, the Corporation is in a unique position to be of service to the Government and industry.

PRINCIPAL ACTIVITIES DURING FISCAL YEAR 1958-1959

1. The Corporation purchased goods, commodities and defence supplies in Canada on behalf of the governments of other countries, and arranged for the shipment of these purchases to the respective destinations. In this category, the Corporation undertook to purchase defence supplies on behalf of the United States Military Departments, the United Kingdom War Office, the Admiralty and the Ministry of Health and for the Governments of:

Australia	Italy
Ceylon	Mozambique
Dominican Republic	Norway
Holland	Pakistan, and
India	Portugal

2. For the Department of Trade and Commerce, the Corporation purchased goods, commodities and services and placed contracts for various projects comprising Canada's contributions to the Colombo Plan and arranged shipments to the receiving countries.
3. Defence supplies included in Canada's contribution to the North Atlantic Treaty Organization (NATO) were purchased and arrangements were made for shipment to the receiving countries.
4. The Corporation purchased goods and commodities in Canada for the United Nations Children's Fund (UNICEF).
5. Purchases of equipment and aircraft parts, not available from commercial sources, were made by the Corporation from the Government of the United States, on behalf of certain Canadian firms.

METHODS OF OPERATION

When undertaking exporting or importing activities on behalf of governments and organizations, Canadian Commercial Corporation in some cases acts as agent of the government or organization concerned. In other cases the Corporation buys and sells on its own account as principal. It charges a nominal administration fee on all transactions except those entered into on behalf of the Government of the United States. This exception is due to the fact that that Government renders for Canada, without charge, similar procurement services in the United States.

The Corporation in most cases uses the purchasing facilities of the Department of Defence Production or, when construction engineering contracts are involved, the facilities of Defence Construction (1951) Limited, a Crown company responsible to the Minister of Defence Production. Most enquiries and contracts are processed through that Department or Crown company, as the case may be, after the Corporation has settled all details with the recipient government or organization.

VOLUME OF BUSINESS

The total value of supplies, services and projects called for in contracts and requisitions received by the Corporation during the fiscal year amounted to \$92,739,000, as compared with \$98,451,000 in the previous year.

The value of deliveries made and work completed during the year as reflected in suppliers' invoices received by the Corporation totalled \$95,050,000, as compared with \$86,456,000 in the previous year.

After allowing for a downward adjustment of \$14,094,000 in business received in former years, the total business under administration by the Corporation as at March 31st, 1959, was approximately \$85,125,000. This represents the value of goods, commodities, services and projects to be delivered or completed. The corresponding figure for the previous year was \$101,530,000.

UNITED STATES MILITARY DEPARTMENTS

Of the total volume of business received by the Corporation in the amount of \$92,739,000 as stated above, the sum of \$68,447,000 represents contracts entered into with the United States Military Departments, as compared with \$74,068,000 for the previous fiscal year. These contracts covered chemicals, petroleum products, explosives, aircraft and spares, aircraft engine spares, modification and overhaul of aircraft engines, machines and machine tools, snowmobiles and spare parts, spare parts for arctic sleds, iridium, paper, radar equipment and spares, cobalt "60", silver, cadmium, zinc, quartz crystal units, telephone equipment, repair and alteration of U.S. vessels in Canada, submarine cable system, electronic equipment and spares, electronic communication systems, including equipment and services for the joint Canada-United States Pinetree radar system, and transportation of supplies for certain DEW Line sites.

UNITED KINGDOM

Purchases of flour, vaccine and defence supplies were made in Canada on behalf of the United Kingdom War Office, the Admiralty and the Ministry of Health to a value of \$4,337,000 as compared with \$564,800 in the previous year. The increase was due to the purchase for the Admiralty of Canadian-made torpedoes and ancillary equipment to a value of approximately \$3,500,000.

COLOMBO PLAN

Contracts entered into on behalf of the Colombo Plan for the benefit of Cambodia, India, Pakistan, Ceylon, Burma, Malaya, Indonesia, North Borneo, South Vietnam and Singapore, totalled \$17,352,000, as compared with \$17,527,000 in the previous year. These contracts covered equipment and engineering services for hydro-electric power plants, generating stations, agricultural stations, transmission lines and workshops, travelling cranes, flour, telephone equipment, laboratory equipment, prospecting and mining equipment, railway ties, motion picture cameras, projectors and spare parts, engineering survey of the Burma Highway System and aerial photographic surveys. Expenditures made during the year amounted to \$17,668,000.

NORTH ATLANTIC TREATY ORGANIZATION

On behalf of the Department of National Defence the Corporation entered into contracts for military stores and equipment comprising part of Canada's contributions under the North Atlantic Treaty Organization. The Corporation also arranged for shipment of such stores and equipment to the countries concerned.

UNITED NATIONS AGENCIES

The total value of supplies contracted for during the fiscal year for the United Nations Children's Fund (UNICEF) amounted to \$14,000 as compared with \$3,606 in the previous years. These purchases covered various items of general supplies and Canadian publications.

OTHER GOVERNMENTS

Purchases made on behalf of Australia, Ceylon, Dominican Republic, Holland, India, Italy, Mozambique, Norway, Pakistan and Portugal amounted to \$2,081,000, as compared with \$457,000 in the previous fiscal year.

MISCELLANEOUS TRANSACTIONS

The value of aircraft parts and equipment purchased from the Government of the United States on behalf of Canadian firms amounted to \$32,200.

WILLIAM D. LOW

The President of the Corporation, William D. Low, died on November 25, 1958. Upon the establishment of the Corporation in 1946 Mr. Low was appointed Managing Director and in the year 1951, under authority of the Governor in Council, he was appointed President. Mr. Low brought to the Corporation a wealth of experience in purchasing and production matters gained during his earlier association with Canadian National Railways and, from 1939, with the Department of Munitions and Supply and its successor departments of Government. He was highly regarded by his staff and business associates. His passing has been a great loss to the Corporation.

STAFF

The staff of the Corporation as at March 31st, 1959, totalled 51 persons, including executive officers and administrative personnel at its head office in Ottawa, Canada, and at its office in Washington, D.C. The Board of Directors sincerely appreciate the loyal and efficient manner in which the staff has served the Corporation throughout the year.

ACCOUNTS

The balance sheet of the Corporation as at March 31st, 1959, and the statement of income and expense for the year ended that date, duly certified and approved, with report by the Auditor General, are set out on the following pages. Expenses exceeded income for the year by \$96,443.49, due to reduced revenue from administrative charges and from interest. As shown by the statements, this loss has been deducted from accumulated surplus.

Ottawa, June 19, 1959.

The Honourable Raymond O'Hurley,
Minister of Defence Production.
Ottawa, Ontario.

Sir,

The accounts and financial statements of Canadian Commercial Corporation have been examined for the year ended March 31, 1959, and certified financial statements are attached.

In compliance with section 87 of the Financial Administration Act I report that, in my opinion:

- (a) proper books of account have been kept by the Corporation;
- (b) the financial statements of the Corporation
 - (i) were prepared on a basis consistent with that of the preceding year and are in agreement with the books of account,
 - (ii) in the case of the balance sheet, give a true and fair view of the state of the Corporation's affairs as at the end of the financial year, and
 - (iii) in the case of the statement of income and expense, give a true and fair view of the income and expense of the Corporation for the financial year; and
- (c) the transactions of the Corporation that have come under my notice have been within the powers of the Corporation under the Canadian Commercial Corporation Act and the Financial Administration Act.

Yours faithfully,

(Signed) WATSON SELLAR,
Auditor General.

CANADIAN COMMERCE

(Incorporated under the Canadian Companies Act)

Balance Sheet as at December 31, 1959

A S S E T S	1959	1958
Cash,	\$ 1,718,052	\$ 2,493,829
Deposit with the Receiver General of Canada	450,000	600,000
Investments — Government of Canada Bonds, at par (market value \$175,726)	186,200	188,083
Advances and progress payments to suppliers on customers' projects	107,035,405	130,109,500
Accounts receivable	3,640,056	5,959,265

\$113,029,713

\$139,350,677

AGENCY ACCOUNTS

Cash	\$ 145,006	\$ 204,399
Government of Canada Treasury Bills, at cost	672,826	-
Security deposit by contractor — Government of Canada bonds, at par	200,000	200,000
Advances and progress payments to suppliers	6,999,837	6,999,225
Accounts receivable	534,811	

\$ 8,552,480

\$ 7,403,624

Certified correct

(Sgd.) G. F. WEVILL, Comptroller.

Approved

(Sgd.) G. W. HUNTER, for President.

IAL CORPORATION

Commercial Corporation Act)

at March 31, 1959

	L I A B I L I T I E S		1959	1958
ACCOUNT				
Accounts payable	\$	3,490,217	\$	5,521,469
Advance payments by customers on projects in Canada		104,573,213		128,766,482
Capital and Surplus				
Government of Canada—advance for working capital provided under section 8 of the Canadian Commercial Corporation Act	\$4,000,000			
Surplus, per statement attached		<u>966,283</u>		
			4,966,283	5,062,726
			<u>\$113,029,713</u>	<u>\$139,350,677</u>

ACCOUNT				
Accounts payable		\$	534,824	\$ 85,797
Contractor for security deposit			200,000	200,000
Obligations to principals, net — representing advances from agencies of various govern- ments and certain international bodies			7,817,656	7,117,827
			<u>\$ 8,552,480</u>	<u>\$ 7,403,624</u>

Certified in accordance with my report dated June 19, 1959, to the Minister of Defence Production under section 87 of the Financial Administration Act.

(Sgd.) WATSON SELLAR,

Auditor General of Canada.

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expense for the year ended March 31, 1959

1958

1959

Income

	Purchase surcharge from various governments (including Canada) and international agencies	
\$161,457		\$135,283
140,430	Interest earned	55,619
3,948	United States dollar exchange adjustment	2,936
<u>\$305,835</u>		<u>\$193,838</u>

Expense

	Salaries and living allowances (including executive officers' salaries \$33,000)	
238,202		234,439
14,840	Contribution to employees' superannuation death benefit and unemployment insurance	14,552
16,199	Telephone, telegraph and postage	16,958
11,340	Rent, light and heat	11,340
6,523	Travel	6,024
3,933	Printing, stationery and office supplies	4,536
1,457	Other expenses	2,432
<u>292,494</u>		<u>290,281</u>
<u>\$ 13,341</u>	Net income—Loss	<u>\$ 96,443</u>

Statement of Surplus for the year ended March 31, 1959

Balance at beginning of year	\$1,062,726
Less: Net loss for the year, per Statement of Income and Expense	96,443
Balance at end of year	<u>\$ 966,283</u>

CORPORATION COMMERCIALE CANADIENNE

Etat des recettes et des dépenses pour l'année terminée le 31 mars 1959

1958

1959

Recettes

Excédent du prix d'achat obtenu de divers gouvernements (Y compris celui du Canada) et d'organismes internatio- naux	\$161,457	Intérêts	55,619
Rajustements, cours du dollar des Etats-Unis	3,948		2,936
305,835		\$ 193,838	

Dépenses

Salaires et indemnités de subsistance (Y compris salaires des membres de l'exé- cutif (\$33,000)	238,202	Contributions à la caisse de pension des employés, à la caisse de prestations au décès et à la caisse d'assurance- chômage	14,552
Téléphone, télégramme et affranchisse- ment	16,199	Loyers, éclairage et chauffage	11,340
6,523		Voyages	6,024
3,933		Impressions, papeterie et fournitures de bureau	4,536
1,457		Autres dépenses	2,432
292,494		290,281	
\$ 13,341		Revenu net /déficit/	96,443

Etat du surplus pour l'année close le 31 mars 1959

Solde au début de l'année

Moins: Déficit net de l'année, indiqué à l'état des
recettes et des dépenses

Solde à la fin de l'année

MERCIALE CANADIENNE

Corporation commerciale canadienne)

mars 1959

Passif

1959

1958

GENERAL

Dettes passives

\$ 3,490,217

\$ 5,521,469

Paiements anticipés par des clients à compte de projets au Canada

104,573,213

128,766,482

Capital et surplus:

Gouvernement du Canada—avance de capitaux d'exploitation sous le régime de l'article 8 de la Loi sur la Corporation commerciale canadienne

4,000,000

Surplus, conformément à l'état financier ci-joint

966,283

4,966,283

5,062,726

\$113,029,713

\$139,350,677

D'AGENCE

Dettes passives

534,824

85,797

Envers entrepreneurs, valeurs déposées

200,000

200,000

Obligations envers des mandants (montant net)—au titre d'avances reçues d'agences de divers gouvernements et de certains organismes internationaux

7,817,656

7,117,827

\$ 8,552,480

\$ 7,403,624

Certifié conforme à mon rapport du 19 juin 1959 au ministre de la Production de défense sous le régime de l'article 87 de la Loi sur l'administration financière.

L'Auditeur général du Canada

(signature) WATSON SELLAR

CORPORATION COM

(Constituée sous le régime de la Loi sur la

Bilan au 31

COMPTE

Actif	1959	1958
Espèces en caisse	\$ 1,718,052	\$ 2,493,829
Dépôt chez le Receveur général du Canada.....	450,000	600,000
Placements—Obligations du gouvernement du Canada, au pair (valeur marchande \$175,726)	186,200	188,083
Avances et paiements provisionnels à des fournisseurs, à compte de projets de clients.....	107,035,405	130,109,500
Dettes actives	3,640,056	5,959,265

COMPTE

Espèces en caisse	145,006	204,399
Bons du Trésor du Canada, au prix coûtant.....	672,826	—
Valeurs déposées par entrepreneur—Obligations du gouvernement du Canada, au pair.....	200,000	200,000
Avances et paiements provisionnels à des fournisseurs	6,999,837	6,999,225
Dettes actives	534,811	
	\$ 8,552,480	\$ 7,403,624

Certifié exact

Le contrôleur

(signature) G. F. WEVILL

Approuvé

pour le président

(signature) G. W. HUNTER

Ottawa, le 19 juin, 1959

L'Honorable Raymond O'Huiley,

Ministre de la Production de défense,

O t t a w a .

Monsieur le Ministre,

Après un examen des comptes et des états financiers de la Corporation commerciale canadienne pour l'exercice terminé le 31 mars 1959, je vous envoie ci-joint une série des états financiers en question.

Ainsi que l'exige l'article 87 de la Loi sur l'administration financière, je déclare que, à mon avis,

- a) la Corporation a tenu les livres de comptabilité appropriés:
b) les états financiers de la Corporation

(i) ont été préparés sur une base compatible avec celle de l'année précédente et sont conformes aux livres de comptabilité,

(ii) dans le cas du bilan, présentent de façon exacte et fidèle la situation de la Corporation à la fin de l'exercice financier, et

(iii) dans le cas de l'état des recettes et des dépenses, donnent une idée exacte et fidèle des recettes et des dépenses de la Corporation pendant l'exercice financier, et

c) les opérations de la Corporation qui sont venues à ma connaissance étaient dans les limites de la compétence que lui accordent la Loi sur la Corporation commerciale canadienne et la Loi sur l'administration financière.

Veuillez agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

L'Auditeur général

(Signature) WATSON SELLAR

Le président de la Corporation, M. William D. Low, est décédé le 25 novembre 1958. M. Low avait été directeur administrateur de la Corporation depuis sa fondation en 1946 jusqu'en 1951 alors que, par autorité du gouvernement en conseil, il en était devenu président. Il a donné à la Corporation les fruits d'une longue et précieuse expérience en matière d'achats et de production acquise au cours de son emploi aux chemins de fer Nationaux du Canada et, à partir de 1939, au ministère des Munitions et des Approvisionnements et aux divers ministères qui lui ont succédé. Il jouissait de l'estime et de la considération de tout le personnel et de ses associés en affaires. Sa mort a été une lourde perte pour la Corporation.

PERSONNEL

Le 31 mars 1959, la Corporation avait à son emploi 51 personnes, y compris tout le personnel directeur et administratif du siège social à Ottawa (Canada) et de la succursale de Washington (D.C.). Le Conseil d'administration tient à les remercier de leur fidélité au devoir et de leur bon travail.

ETAT FINANCIER

Vous trouverez aux pages qui suivent le bilan de la Corporation, arrêté au 31 mars 1959, et l'état des recettes et des dépenses pour l'exercice financier terminé à la même date, dûment certifiés et approuvés, ainsi que le rapport de l'Auditeur général. Par suite d'un fléchissement des recettes du chef des services d'administration et des intérêts, les dépenses de l'année ont dépassé les recettes de \$96,443.49. Ainsi que l'indiquent les états ci-joints, cette perte a été déduite du surplus accumulé.

PLAN DE COLOMBO

Les contrats conclus pour le compte de l'Administration du Plan de Colombo à l'intention du Cambodge, de l'Inde, du Pakistan, de Ceylon, de la Birmanie, de la Malaisie, de l'Indonésie, du Bornéo du Nord, du Sud Viet-nam et de Singapour se sont établis à \$17,352,000, contre \$17,527,000, l'année précédente. Ces contrats ont compris le matériel et les services de génie nécessaires aux installations hydro-électriques, aux centrales génératrices, aux stations agricoles, aux lignes de transmission et aux ateliers ainsi que des grues mobiles, de la farine, du matériel téléphonique, du matériel de laboratoire, du matériel de prospection et d'extraction minières, des traverses de chemins de fer, des caméras, des projecteurs et pièces de projecteurs, des levés techniques du réseau routier de la Birmanie et des levés photographiques aériens. Les dépenses de l'année se sont élevées à \$17,668,000.

ORGANISATION DU TRAITE DE L'ATLANTIQUE NORD

La Corporation a conclu au nom du ministère de la Défense nationale des contrats visant les approvisionnements et le matériel militaires que le Canada fournit comme partie de sa contribution à l'Organisation du Traité de l'Atlantique Nord. Elle a vu aussi à faire expédier ces approvisionnements et ce matériel aux pays intéressés.

INSTITUTIONS DE L'ORGANISATION DES NATIONS UNIES

La valeur globale des approvisionnements compris dans les contrats passés au cours de l'année financière pour le compte du Fonds des Nations Unies pour le secours à l'enfance (FISE) a été de \$14,000, comparativement à \$3,606 en 1957-1958. Ces approvisionnements ont compris divers articles d'ordre général et des publications canadiennes.

AUTRES GOUVERNEMENTS

Les achats effectués au nom de l'Australie, de Ceylan, de la Hollande, de l'Inde, de l'Italie, du Mozambique, de la Norvège, du Pakistan, du Portugal et de la République Dominicaine se sont élevés à \$2,081,000, comparativement à \$457,000 l'année financière précédente.

OPERATIONS DIVERSES

Les achats de pièces d'accessoires d'avions du gouvernement des Etats-Unis pour le compte de sociétés canadiennes se sont chiffrés à \$32,200.

VALEUR DES OPERATIONS

La valeur globale des contrats passés et des commandes reçues par la Corporation au cours de l'année financière, à l'égard d'approvisionnement, de services et de travaux, a été de \$92,739,000, comparativement à \$98,451,000 l'année précédente.

Les livraisons effectuées et les travaux terminés au cours de l'année se sont établis, d'après les factures que la Corporation a reçues des fournisseurs, à \$95,050,000 contre \$86,456,000 l'année précédente.

Après une réduction de \$14,094,000 du volume des affaires confiées à la Corporation au cours des années antérieures, le total des affaires gérées le 31 mars 1959 était de l'ordre de \$85,125,000. Ce montant représentait la valeur des marchandises, denrées et services non encore livrés et des entreprises inachevées. Le chiffre correspondant de l'année précédente était de \$101,530,000.

DEPARTEMENTS MILITAIRES DES ETATS-UNIS

De la valeur globale des commandes reçues par la Corporation soit, comme il est indiqué plus haut, \$92,739,000, la somme de \$68,447,000 représente des contrats conclus avec les départements militaires des Etats-Unis; le montant avait été de \$74,068,000 l'année précédente. Ces contrats visaient des produits chimiques, des dérivés du pétrole, des explosifs, des avions et pièces d'avions, des pièces de moteurs d'avions, la modification et la remise en état de moteurs d'avions, des machines et des machines-outils, des auto-neiges et pièces d'auto-neiges, des pièces de traineaux pour l'Arctique, de l'iridium, du papier, du matériel et des pièces de matériel de radar, du cobalt "60", de l'argent, du cadmium, du zinc, du cristal de quartz, du matériel téléphonique, la réparation et la modification de navires américains au Canada, un réseau de câbles sous-marins, du matériel et des pièces de matériel électrique, des appareils de transmission électroniques, y compris du matériel et des services destinés au réseau de radar canado-américain connu sous le nom de "Pinetree" et le transport d'approvisionnements à certains points de la ligne DEW.

ROYAUME-UNI

Les achats de farine, de vaccins et de matériel de défense effectués au Canada à l'intention du ministère de la Guerre, de l'Armairauté et du ministère de la Santé du Royaume-Uni ont représenté une somme de \$4,337,000, au regard de \$564,800 l'année précédente. L'augmentation est attribuable à des achats de torpilles et de matériel connexe de fabrication canadienne d'une valeur de \$3,500,000 pour le compte de l'Armairauté.

2. La Corporation a, pour le compte du ministère du Commerce, acheté des marchandises, denrées et services et passé des contrats visant divers travaux compris dans la contribution du Canada au Plan de Colombo et vu à l'expédition aux pays destinataires des objets ainsi obtenus.

3. La Corporation a acheté et expédié aux pays destinataires des approvisionnement de défense compris dans la contribution du Canada à l'Organisation du Traité de l'Atlantique Nord (OTAN).

4. La Corporation a acheté des marchandises et des produits au Canada pour le compte du Fonds international des Nations Unies pour le secours à l'enfance (FISE).

5. Elle a acheté du gouvernement des États-Unis, pour le compte de certaines sociétés canadiennes, des pièces et du matériel d'avions que les intéressés ne pouvaient obtenir sur le marché ordinaire.

FONCTIONNEMENT

Lorsqu'elle entreprend d'exporter ou d'importer des marchandises ou des services au nom de gouvernements et d'organisations, la Corporation commerciale canadienne fait, dans certains cas, fonction d'agent du gouvernement ou de l'organisation intéressée. Dans d'autres, elle achète et vend pour son propre compte en qualité de mandant. Pour les opérations dont elle se charge, elle exige des frais d'administration nominaux des bénéficiaires, sauf du gouvernement des États-Unis qui rend gratuitement au Canada des services du même genre.

Dans la plupart des cas, la Corporation utilise les services d'achat du ministère de la Production de défense ou, lorsqu'il s'agit de contrats de construction, ceux de la Defence Constructoin (1951) Limited, société de la Couronne qui relève du ministre de la Production de défense. C'est à ce Ministère ou à cette Société de la Couronne, selon le cas, que sont confiées la plupart des demandes de renseignements et la conclusion des marchés, une fois que la Corporation a réglé tous les détails avec le gouvernement ou l'organisation destinataire.

nements requis par les départements militaires des Etats-Unis, à titre de contribution au programme de défense commune des deux pays issu de l'Accord de Hyde Park. Cette tâche demeure l'une des principales de la Corporation et, le 31 mars 1959, la valeur globale des contrats passés au Canada pour le compte de ces départements américains dépassait \$766,000,000.

En 1952, la Corporation a accepté la tâche également importante d'acheter et d'expédier toutes les marchandises fournies par le Canada aux termes du Plan de Colombo.

En outre, la Corporation a, à l'occasion, fait de nombreuses importations et exportations pour le compte de divers ministères et organismes du gouvernement canadien ou de maisons d'affaires qui n'arrivaient pas à obtenir leurs approvisionnements par les voies ordinaires du commerce.

La valeur globale des marchés conclus par la Corporation depuis son établissement jusqu'au 31 mars 1959, y compris des contrats d'une valeur globale de \$1,136,000,000 passés pour le compte du ministère de la Défense nationale avant le 1er avril 1951, est de \$2,649,900,000.

La plupart des dirigeants et des principaux fonctionnaires sont venus de l'ancien ministère des Munitions et des Approvisionnements et font partie du personnel de la Corporation depuis ses débuts. Grâce à l'expérience qu'elle a acquise dans l'achat, le financement et l'expédition d'une variété incroyable de produits, la Corporation est dans une situation incomparable pour servir le gouvernement et l'industrie.

PRINCIPAUX CHEFS D'ACTIVITE EN 1958-1959

1. La Corporation a acheté au Canada pour le compte de gouvernements étrangers des marchandises, denrées et approvisionnements destinés à la défense et les a expédiés à leurs destinations respectives. Elle s'est engagée à acheter du matériel de défense au nom des départements militaires des Etats-Unis, du ministère de la Guerre, de l'Armairauté et du ministère de la Santé du Royaume-Uni de même que pour les gouvernements des pays suivants:

Australie	Mozambique
Ceylan	Norvège
Hollande	Pakistan
Inde	Portugal
Italie	République Dominicaine

RAPPORT DE LA

CORPORATION COMMERCIALE CANADIENNE

sur l'activité de l'année financière close le 31 mars 1959

La Corporation commerciale canadienne a été établie en 1946, aux termes d'une loi du Parlement du Canada, comme société de la Couronne appartenant entièrement au gouvernement du Canada. Ses fonctions, telles qu'elles sont exposées dans la loi sous sa forme actuelle, sont les suivantes:

- a) aider à l'expansion du commerce entre le Canada et d'autres nations;
- b) aider des personnes au Canada
 - (i) à obtenir des marchandises et denrées en dehors du Canada, et
 - (ii) à placer des marchandises et denrées exportables du Canada;
- c) exercer, au nom et sous la direction du ministre de la Production de défense, tous pouvoirs ou fonctions attribués au Ministre par quelque autre loi autorisant celui-ci à employer la Corporation pour les exercer.

HISTORIQUE

Ainsi que le prévoyait la Loi, la Corporation a assumé, en 1946, toutes les fonctions de l'ancienne Commission canadienne d'exportation qui, alors, s'occupait d'effectuer au Canada des achats pour le compte de divers gouvernements étrangers et de l'Administration de Secours et de Rétablissement des Nations Unies (UNRRA). Tout en continuant ce travail, elle s'est chargée d'acheter les articles nécessaires à la contribution du Canada à divers autres programmes et organismes de secours qui ont pris naissance après la guerre, dont le programme canadien de secours postérieur à l'UNRRA, le Fonds international des Nations Unies pour le secours à l'ence et l'Office de secours des Nations Unies pour les réfugiés de Palestine.

Par l'arrêté en conseil C.P. 314, du 5 février 1947, la Corporation a reçu, en même temps que le personnel nécessaire, les pouvoirs, devoirs et fonctions du Ministre de la Reconstruction et des Approvisionnements pour l'achat des produits et services requis par le ministre de la Défense nationale. Ce nouveau rôle lui est resté dévolu jusqu'à l'établissement du ministère de la Production de défense, le 1er avril 1951, à la suite de l'ouverture des hostilités en Corée.

Cependant, la Corporation a conservé toutes ses autres fonctions dont une des plus importantes est l'acquisition au Canada des approvision-

CORPORATION COMMERCIALE CANADIENNE

Ottawa (Canada)

le 19 juin 1959

L'honorable Raymond O'Hurley

Ministre de la Production de défense

Ottawa (Ontario)

Monsieur le Ministre,

J'ai l'honneur de vous présenter, conformément à l'article 13 (1) de la Loi de 1946 sur la Corporation commerciale canadienne, le rapport de la Corporation commerciale canadienne, ainsi que son bilan et son état des recettes et des dépenses, vérifiés par l'Auditeur général du Canada, pour l'année close le 31 mars 1959.

Veillez agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

Un administrateur,

(Signature) G. W. HUNTER.

CORPORATION COMMERCIALE CANADIENNE

Société appartenant entièrement au gouvernement du Canada

Etablie par la Loi sur la Corporation commerciale canadienne,
Statuts du Canada 1946, 10 George VI, chap. 40, modifiée
par les Statuts du Canada 1947, 11 George VI, chap. 51,
1949, 13 George VI, chap. 2, 1950, 14 George VI,
chap. 51 et 1951, 15 George VI, chap. 13.

ADMINISTRATEURS

M. D. M. ERSKINE, Directeur, Division générale des achats, Ministère de la Production de défense.	M. C. W. HUNTER, Sous-ministre adjoint. Ministère de la Production de défense.
M. W. H. HUCK, Sous-ministre adjoint, Ministère de la Production de défense.	F. FINLAY SIM, Contrôleur-secrétaire, Ministère du Commerce.

M. R. G. JOHNSON,
Président,
Defence Construction (1951) Ltd.

DIRECTEURS

M. F. F. WADDELL, Secrétaire et conseiller juridique.	W. R. HARRIS, Adjoint au président.	M. G. F. WEVILL, Contrôleur.
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SIEGE SOCIAL

Edifice temporaire No 4, 56, rue Lyon
OTTAWA (Ontario)

SUCCURSALE

2450 Massachusetts Ave.
Washington (D.C.)

DU 1ER AVRIL 1958 AU 31 MARS 1959

TREIZIEME RAPPORT ANNUEL
AU
MINISTRE DE LA PRODUCTION DE DEFENSE

CORPORATION
COMMERCIALE CANADIENNE



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CANADIAN

COMMERCIAL CORPORATION



FOURTEENTH ANNUAL REPORT

TO THE

Minister of Defence Production

APRIL 1, 1959 TO MARCH 31, 1960

CANADIAN COMMERCIAL CORPORATION

A Company wholly owned by the Government of Canada

Established by Canadian Commercial Corporation Act, Statutes of Canada
1946, 10 George VI Chap. 40, as amended by Statutes of Canada 1947,
II George VI, Chap. 51; 1949, 13 George VI, Chap. 2; 1950, 14
George VI, Chap. 51; and 1951, 15 George VI, Chap. 13.

BOARD OF DIRECTORS

D. M. ERSKINE, Director, General Purchasing Branch, Department of Defence Production.	G. W. HUNTER, Assistant Deputy Minister, Department of Defence Production.
W. H. HUCK, Assistant Deputy Minister, Department of Defence Production.	FINLAY SIM, Comptroller-Secretary, Department of Trade and Commerce.
R. G. JOHNSON, President, Defence Construction (1951) Ltd.	

OFFICERS

F. F. WADDELL, Secretary and Legal Adviser.	W. R. HARRIS, Assistant to the President.	G. F. WEVILL, Comptroller.
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HEAD OFFICE

No. 4 Temporary Building, 56 Lyon Street,
Ottawa, Ontario.

BRANCH OFFICE

2450 Massachusetts Ave.,
Washington, D.C.

CANADIAN COMMERCIAL CORPORATION
OTTAWA, CANADA

June 24, 1960.

The Honourable Raymond O'Hurley,
Minister of Defence Production,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Income and Expenditure, as audited by the Auditor General of Canada, covering the year ended March 31, 1960.

Yours faithfully,

(Signed) G. W. HUNTER

Director.

CANADIAN COMMERCIAL CORPORATION

FUNCTIONS AND HISTORICAL BACKGROUND

The Canadian Commercial Corporation was established in the year 1946 by Act of the Parliament of Canada as a Crown Corporation wholly owned by the Government of Canada. Its functions as set out in the Act, as amended, are:

1. To assist in the development of trade between Canada and other nations;
2. To assist persons in Canada
 - (a) to obtain goods and commodities from outside Canada, and
 - (b) to dispose of goods and commodities that are available for export from Canada; and
3. To exercise on behalf and under the direction of the Minister of Defence Production any powers or functions vested in the Minister by any other Act that authorizes the Minister to employ the Corporation to exercise them.

By the terms of the Act, the Corporation took over in 1946 the whole of the undertakings of the Canadian Export Board, which at that time was carrying out procurement functions in Canada on behalf of various foreign governments and on behalf of the United Nations Relief and Rehabilitation Administration (UNRRA). The Corporation continued those activities and it also undertook to procure the Canadian requirements of various other relief programmes and organizations which came into being in the post-war years, such as the Canadian post-UNRRA relief programme, United Nations Children's Fund and United Nations Relief for Palestine Refugees.

By Order in Council P.C. 314 of 5th February, 1947, the power, duty and function which had been vested in the Minister of Reconstruction and Supply to purchase the requirements of the Department of National Defence was transferred to the Corporation, together with the necessary staff. These duties were fulfilled by the Corporation until the Department of Defence Production came into being on April 1st, 1951, following the outbreak of hostilities in Korea.

However, the Corporation retained all its other functions, amongst the most important of which was the procurement in Canada of the requirements of the United States Military Departments, constituting one part of the common defence effort of the two countries pursuant to the Hyde Park Declaration of 1941, which is mentioned later in this Report. This continues to be one of the Corporation's major activities, the total value of contracts placed in Canada on behalf of the U.S. Military Departments up to March 31st, 1960, being over \$816,000,000.

In 1952, the Corporation accepted the responsibility for purchasing and shipping all the requirements of the Colombo Plan, and this also has continued to be a major activity.

In addition to the activities mentioned above, the Corporation has from time to time engaged in numerous importing and exporting transactions on behalf of various Canadian Government Departments and agencies, and it has also engaged in various transactions on behalf of commercial firms involving the importing and exporting of supplies which could not be procured or supplied through normal commercial channels.

The total value of the contracts entered into by the Corporation from its inception to March 31st, 1960, was \$2,715,300,000, which included contracts to a total value of \$1,136,000,000 entered into on behalf of the Department of National Defence prior to April 1st, 1951.

With the experience gained since 1946 in purchasing, financing and shipping an incredibly wide variety of products, the Corporation is in a unique position to be of service to the Government and industry.

ANNUAL REPORT
OF
CANADIAN COMMERCIAL CORPORATION

Fiscal year ended March 31, 1960.

PRINCIPAL ACTIVITIES DURING YEAR

1. The Corporation purchased goods, commodities and defence supplies in Canada on behalf of the governments of other countries, and arranged for the shipment of these purchases to the respective destinations. In this category, the Corporation undertook to purchase defence supplies on behalf of the United States Military Departments, the United Kingdom War Office, the Admiralty, the Ministry of Aviation, the Ministry of Health, the Ministry of Supply and for the Governments of

Australia

Belgium

India

Italy

Mozambique

Norway

Pakistan and

South Africa

2. For the Department of Trade and Commerce, the Corporation purchased goods, commodities and services and placed contracts for various projects comprising Canada's contributions to the Colombo Plan and arranged shipments to the receiving countries.

3. The Corporation purchased goods and commodities in Canada for the United Nations Children's Fund.

4. Purchases of equipment and aircraft parts, not available from commercial sources, were made by the Corporation from the Government of the United States, on behalf of certain Canadian firms.

METHODS OF OPERATION

When undertaking exporting or importing activities on behalf of governments and organizations, Canadian Commercial Corporation in some cases acts as agent of the government or organization concerned. In other cases the Corporation buys and sells on its own account as principal. It charges a nominal administration fee on all transactions except those for the Government of the United States. This exception is due to the fact that that Government renders for Canada, without charge, similar procurement services in the United States.

The Corporation in most cases uses the purchasing facilities of the Department of Defence Production or, when construction engineering contracts are involved, the facilities of Defence Construction (1951) Limited, a Crown company responsible to the Minister of Defence Production. Most enquiries and contracts are processed

through that Department or Crown company, as the case may be, after the Corporation has settled all details with the recipient government or organization.

VOLUME OF BUSINESS

The total value of supplies, services and projects called for in contracts and requisitions received by the Corporation during the fiscal year amounted to \$65,415,000, as compared with \$92,739,000 in the previous year.

The value of deliveries made and work completed during the year as reflected in suppliers' invoices received by the Corporation totalled \$96,362,000, as compared with \$95,050,000 in the previous year.

After allowing for a downward adjustment of \$4,007,000 in business received in former years, the total business under administration by the Corporation as at March 31st, 1960, was approximately \$50,171,000. This represents the value of goods, commodities, services and projects to be delivered or completed. The corresponding figure for the previous year was \$85,125,000.

UNITED STATES MILITARY DEPARTMENTS

Of the total volume of new business received by the Corporation in the amount of \$65,415,000 as stated above, the sum of \$49,700,000 represents contracts entered into with the United States Military Departments, as compared with \$68,447,000 for the previous fiscal year. These contracts covered chemicals, petroleum products, aircraft and spares, aircraft engine spares, modification and overhaul of airframes and aircraft engines, technical services and data for aircraft, covers for aircraft engines, propellers and wings, spare parts for snowmobiles, arctic sleds and spare parts, iridium, paper, radar equipment and spares, cadmium, zinc, telephone equipment, repair and alteration of U.S. vessels in Canada, film processing machines and spares, electronic equipment and spares, electronic communication systems, including equipment and services for the joint Canada-United States Pinetree radar system, and transportation of supplies for certain DEW Line sites.

UNITED KINGDOM

Purchases of flour, wheat, vaccine, ration packs, sleeping pads, toboggans, a superpanner, and defence supplies were made in Canada on behalf of the United Kingdom War Office, the Admiralty, the Ministry of Aviation, the Ministry of Health and the Ministry of Supply to a value of \$1,005,000 as compared with \$4,337,000 in the previous year.

COLOMBO PLAN

Contracts entered into on behalf of the Colombo Plan for the benefit of India, Pakistan, Ceylon, Burma, Malaya, Indonesia, South Viet Nam, Singapore and the West Indies, totalled \$11,534,000, as compared with \$17,352,000 in the previous year. These contracts covered equipment and engineering services for hydro-electric power plants, generating stations, agricultural stations, transmission

lines, vocational and technical schools and workshops; and marine cable, railway ties, telephone equipment, landplanes, laboratory equipment, projectors and photographic supplies, fertilizers, sulphite, kraft pulp, butter, flour, wheat and engineering and aerial photographic surveys. Expenditures made during the year amounted to \$21,259,000.

UNITED NATIONS AGENCIES

The total value of supplies contracted for during the fiscal year for the United Nations Children's Fund amounted to \$16,000 as compared with \$14,000 in the previous year. These purchases covered various items of general supplies and Canadian publications.

OTHER GOVERNMENTS

Purchases made on behalf of Australia, Belgium, India, Italy, Mozambique, Norway, Pakistan and South Africa amounted to \$631,000, as compared with \$2,081,000 in the previous fiscal year.

MISCELLANEOUS TRANSACTIONS

The value of aircraft parts and equipment purchased from the Government of the United States on behalf of Canadian firms amounted to \$28,400.

At the request of the Department of External Affairs, the Corporation purchased 32,000 long tons of Canadian flour at a cost of approximately \$2,500,000. Of this quantity 19,000 tons were shipped to the United Nations Relief and Works Agency in Lebanon and Egypt and 13,000 long tons were shipped to the Government of Ceylon.

CANADA-USA DEFENCE PRODUCTION SHARING PROGRAMME

During the year Canadian Commercial Corporation continued to assist the Department of Defence Production (Canada) in carrying out the Canada-USA Defence Production Sharing Programme.

This programme (which includes development sharing) was initiated in 1958 by that Department and the United States Army, Navy and Air Force. It is designed to increase opportunities for Canadian industry to compete with United States industry for prime defence contracts issued by the United States Military Departments, and also to compete for subcontracts from prime defence contractors in the United States. The programme is based on the policy that, as far as practicable, the resources of the two countries should be co-ordinated for the common defence of North America and that there should be economic co-operation in the production of defence requirements. This principle was recognized by Canada and the United States of America in the Hyde Park Declaration of 1941 and was reaffirmed in the "Statement of Principles for Economic Co-operation" in 1950.

Canadian Commercial Corporation is involved in the programme, as prime contracts placed in Canada by the United States Military Departments in implementation of the programme will continue to be placed with the Corporation with few exceptions, and will be placed in turn by the Corporation with Canadian industry as has been the practice since the inception of the Corporation in 1946. Since that year the United States Military Departments have used the Corporation as a vehicle for contracting on a government to government basis. The experience gained from this established procedure has enabled the Corporation to assist the Department of Defence Production and the United States Army, Navy and Air Force in their production sharing arrangements.

STAFF

The staff of the Corporation as at March 31st, 1960, totalled 54 persons, including executive officers and administrative personnel at its head office in Ottawa, Canada, and at its office in Washington, D.C. The Board of Directors sincerely appreciate the loyal and efficient manner in which the staff has served the Corporation throughout the year.

ACCOUNTS

The balance sheet of the Corporation as at March 31st, 1960, and the statement of income and expense for the year ended that date, duly certified and approved, with report by the Auditor General, are set out on the following pages. According to the established policy, referred to earlier herein, administrative surcharge was not collected during the year from the Corporation's largest buyer, the United States Government. Thus income continued to be insufficient to meet operating costs with the result that the year showed a loss of \$66,720. As shown by the statements, this loss has been deducted from accumulated surplus.

Ottawa, June 20, 1960.

The Honourable Raymond O'Hurley,
Minister of Defence Production,
Ottawa.

Sir,

The accounts and financial statements of Canadian Commercial Corporation have been examined for the year ended March 31, 1960.

Advances and progress payments to suppliers on customers' projects, which total \$84,674,931 at March 31, 1960, include advances to one contractor which since the end of the financial year have increased to the full value of the production contracted for by the Corporation. In addition, the Corporation has undertaken to advance further sums for the purpose of providing additional working capital to enable the contractor to complete the project. Under this arrangement, the Corporation has advanced since the end of the financial year \$2,153,929 bearing interest at 6% per annum. Repayment of this loan and interest, together with any further sums so advanced, is dependent on settlement of a claim made by the Corporation to its customer for contract adjustment.

In compliance with section 87 of the Financial Administration Act I report that, in my opinion:

- (a) proper books of account have been kept by the Corporation;
- (b) the financial statements of the Corporation
 - (i) were prepared on a basis consistent with that of the preceding year and are in agreement with the books of account,
 - (ii) in the case of the balance sheet, give a true and fair view of the state of the Corporation's affairs as at the end of the financial year, and
 - (iii) in the case of the statement of income and expense, give a true and fair view of the income and expense of the Corporation for the financial year; and
- (c) the transactions of the Corporation that have come under my notice have been within the powers of the Corporation under the Canadian Commercial Corporation Act and the Financial Administration Act.

Yours faithfully,

(Signed) A. M. HENDERSON
Auditor General.

CANADIAN COMMER

(Established under the Canada

Balance Sheet a

(with comparative figures a

A S S E T S

	1960	1959
		GENERAL
Cash	\$ 3,274,626	\$ 1,718,052
Government of Canada Treasury Bills, at cost	2,690,982	—
Deposit with the Receiver General of Canada ..	—	450,000
Government of Canada Bonds, at par (market value \$165,950)	186,200	186,200
Advances and progress payments to suppliers on customers' projects (see note below)	84,674,931	107,035,405
Accounts receivable	4,623,086	3,640,056
	<u>\$ 95,449,825</u>	<u>\$ 113,029,713</u>

Note: Advances and progress payments are related to production on the contracts and the total contract values. It is anticipated that to enable one contractor to complete production, advances in excess of the present contract price will be required during the next fiscal year pending settlement of a claim on the Corporation's customer for contract adjustment.

AGENCY

Cash	\$ 147,190	\$ 145,006
Government of Canada Treasury Bills, at cost	—	672,826
Security deposits by contractors — (see contra)		
Government of Canada Bonds, at par	207,000	200,000
Advances and progress payments to suppliers ..	1,990,955	6,999,837
Accounts receivable	68,040	534,811
	<u>\$ 2,413,185</u>	<u>\$ 8,552,480</u>

Certified correct

(Sgd.) G. F. WEVILL, Comptroller

Approved

(Sgd.) G. W. HUNTER, for President.

Commercial Corporation Act)

at March 31, 1960

at March 31, 1959)

	1960	1959
ACCOUNT		
Accounts payable	\$ 6,421,273	\$ 3,490,217
Advance payments by customers on projects in Canada	82,128,989	104,573,213
Capital and Surplus		
Government of Canada — advance for working capital provided under section 8 of the Canadian Commercial Corporation Act \$6,000,000		
Surplus, per statement attached 899,563		
	6,899,563	4,966,283
	<u>\$ 95,449,825</u>	<u>\$113,029,713</u>

Accounts payable	\$ 92,256	\$ 534,824
Contractors' security deposits	207,000	200,000
Obligations to principals, representing advances from agencies of various governments and certain international bodies	2,113,929	7,817,656
	<u>\$ 2,413,185</u>	<u>\$ 8,552,480</u>

Certified in accordance with my report dated June 20, 1960, to the Minister of Defence Production under section 87 of the Financial Administration Act.

(Sgd.) A. M. HENDERSON
Auditor General of Canada.

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expense for the year ended March 31, 1960

(with comparative figures for the year ended March 31, 1959)

1959		1960
Income		
	Purchase surcharge from various governments (including Canada) and international agencies	
\$135,283		\$136,513
55,619	Interest earned	73,612
2,936	Exchange adjustments	16,748
<hr/>		<hr/>
\$193,838		\$226,873
Expense		
	Salaries and living allowances (including executive officers' salaries \$24,000)	
234,439		235,270
14,552	Employees' welfare payments	14,864
16,958	Telephone, telegraph and postage	17,463
11,340	Rent, light and heat	11,340
6,024	Travel	8,935
4,536	Printing, stationery and office supplies	4,784
2,432	Other expenses	937
<hr/>		<hr/>
\$290,281		293,593
<hr/>		<hr/>
\$ 96,443	Net loss	\$ 66,720
<hr/>		<hr/>

Statement of Surplus for the year ended March 31, 1960

Balance at beginning of year	\$966,283
Less: Net loss for the year, per Statement of Income and Expense	66,720
	<hr/>
Balance at end of year	\$899,563
	<hr/>

CORPORATION COMMERCIALE CANADIENNE

État des recettes et des dépenses pour l'année terminée le 31 mars 1960
(avec chiffres comparatifs pour l'année terminée le 31 mars 1959)

1959	1960	Recettes
\$135,283	\$136,513	Excédent du prix d'achat obtenu de divers gouvernements (y compris celui du Canada) et d'organismes internationaux
55,619	73,612	Intérêts gagnés
2,936	16,748	Rajustements, cours des devises
\$193,838	\$226,873	Dépenses
234,439	235,270	Traitements et allocations de subsistance (y compris la rémunération des fonctionnaires administratifs, \$24,000)
14,552	14,864	Prestations de bien-être versées aux employés
16,958	17,463	Téléphone, télégramme et affranchissement
11,340	11,340	Loyers, éclairage et chauffage
6,024	8,935	Voyages
4,536	4,784	Impressions, papeterie et fournitures de bureau
2,432	937	Autres dépenses
\$290,281	293,593	
\$ 96,443	\$ 66,720	Déficit net
État du surplus pour l'année close le 31 mars 1960		
	\$966,283	Solde au début de l'année
	Moins: Déficit net de l'année, indiqué à l'état des recettes et des dépenses	
	66,720	
	\$899,563	Solde à la fin de l'année

RIALE CANADIENNE

Corporation commerciale canadienne)

mars 1960

tifs au 31 mars 1959)

PASSIF

GÉNÉRAL

Dettes passives	\$ 6,421,273	\$ 3,490,217
Paiements anticipés par des clients à compte de commandes au Canada	82,128,989	104,573,213
Capital et surplus:		
Gouvernement du Canada —		
avance de capitaux d'exploit-		
tation sous le régime de l'ar-		
ticle 8 de la Loi sur la Cor-		
poration commerciale cana-		
dienne		
\$6,000,000		
Surplus, conformément à l'état ci-		
joint	899,563	4,966,283
	6,899,563	\$113,029,713
	<u>\$ 95,449,825</u>	<u>\$113,029,713</u>

D'AGENCE

Dettes passives	\$ 92,256	\$ 534,824
Valeurs déposées par des entrepreneurs	207,000	200,000
Obligations envers des mandants, au titre d'a-		
vances reçues d'agences de divers gouverne-		
ments et de certains organismes internationaux	2,113,929	7,817,656
	<u>\$ 2,413,185</u>	<u>\$ 8,552,480</u>

Certifié conforme à mon rapport du 20 juin 1960 au ministre de la Production de défense sous le régime de l'article 87 de la Loi sur l'administration financière.

L'Auditeur général du Canada

(signature) A. M. HENDERSON

CORPORATION COMME

(Établie sous le régime de la Loi sur la

Bilan au 31

(avec chiffres comparés

A C T I F

1960

1959

COMPTE

Encaisse
Bons du Trésor du Canada, au prix coûtant
En dépôt chez le Receveur général du Canada
Placements — Obligations du gouvernement du
Canada, au pair (valeur marchande \$165,950)
Avances et paiements provisoires à des fournis-
seurs, à compte de commandes reçues de
clients (voir remarques ci-après)
Dettes actives

\$ 3,274,626	\$ 95,449,825
2,690,982	4,623,086
—	84,674,931
450,000	186,200
186,200	107,035,405
3,640,056	\$113,029,713

Remarque : Les avances et des paiements provisoires sont fondés sur la production aux termes des contrats et la valeur globale desdits contrats. Dans un cas particulier, on prévoit que pour permettre à l'entrepreneur d'achever sa production, il faudra, au cours de la prochaine année financière, lui verser des avances qui excéderont le prix figurant au contrat en attendant le règlement d'une demande de rajustement faite par la Corporation à son client.

Encaisse
Bons du Trésor du Canada, au prix coûtant
Valeurs déposées par entrepreneurs — (voir ci-
contre) Obligations du gouvernement du Ca-
nada, au pair
Avances et paiements provisoires à des fournis-
seurs
Dettes actives

\$ 147,190	\$ 2,413,185
145,006	68,040
672,826	1,990,955
200,000	534,811
200,000	\$ 8,552,480

Certifié exact

Le contrôleur

(signature) G. F. WEVILL

Approuvé

pour le président

(signature) G. W. HUNTER

Ottawa, le 20 juin 1960

L'honorable Raymond O'Hurley
Ministre de la Production de défense
Ottawa

Monsieur le Ministre,

Les comptes et les états financiers de la Corporation commerciale canadienne pour l'année financière terminée le 31 mars 1960 ont été examinés.

Les avances et les paiements provisionnels à des fournisseurs, à compte de commandes reçues de clients, soit \$86,674,931 le 31 mars 1960, comprennent des avances qui ont été faites à un entrepreneur particulier et qui depuis la fin de l'année financière ont atteint la pleine valeur du contrat adjudgé par la Corporation. Or, la Corporation s'est engagée à fournir à cet entrepreneur d'autres sommes d'argent afin de lui assurer le capital d'exploitation dont il aura besoin pour compléter l'entreprise. Aux termes de cet accord, la Corporation lui a avancé depuis la fin de l'année financière \$2,153,929 à 6 p. 100 d'intérêt. Le remboursement de cet argent et des intérêts, ainsi que des autres sommes ainsi avancées, dépendra du règlement d'une demande de rajustement de contrat pré-sentée par la Corporation à son client.

Ainsi que l'exige l'article 87 de la Loi sur l'administration financière, je déclare que, à mon avis,

- a) la Corporation a tenu les livres de comptabilité appropriés
- b) les états financiers de la Corporation
- (i) ont été préparés sur une base compatible avec celle de l'année précédente et sont conformes aux livres de comptabilité,
- (ii) dans le cas du bilan, présentent de façon exacte et fidèle la situation de la Corporation à la fin de l'année financière, et
- (iii) dans le cas de l'état des recettes et des dépenses, donnent une idée exacte et fidèle des recettes et des dépenses de la Corporation pendant l'année financière, et
- c) les opérations de la Corporation qui sont venues à ma connaissance étaient dans les limites de la compétence que lui accordent la Loi sur la Corporation commerciale canadienne et la Loi sur l'administration financière.

Je vous prie d'agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

L'Auditeur général

(Signature) A. M. HENDERSON

Vous trouverez aux pages qui suivent le bilan de la Corporation arrêté au 31 mars 1960, et l'état des recettes et des dépenses pour l'année financière terminée à la même date, dûment certifiées et approuvées, ainsi que le rapport de l'Auditeur général. Conformément à une ligne de conduite mentionnée plus haut, aucun frais d'administration n'a été perçu au cours de l'année du principal acheteur de la Corporation, le Gouvernement des États-Unis. Pour cette raison, encore une fois, les recettes n'ont pas suffi à acquitter les frais courants et les opérations de l'année se sont soldées par un déficit de \$66,720. Ainsi que l'indiquent les états ci-joints, cette perte a été déduite du surplus accumulé.

ETAT FINANCIER

Le 31 mars 1960, la Corporation avait à son service 54 personnes, y compris tout le personnel directeur et administratif du siège social à Ottawa (Canada) et de la succursale de Washington (D.C.). Le Conseil d'administration tient à les remercier de leur fidélité au devoir et de leur bon travail.

PERSONNEL

La Corporation commerciale canadienne s'est trouvée en cause du fait que depuis sa création en 1946 tous les contrats passés au Canada par les départements militaires des États-Unis lui sont confiés à charge pour elle de les adjudger à l'industrie canadienne et que, sauf quelques rares exceptions, la même pratique a été adoptée à l'égard du programme de partage de la production de défense. En effet, la Corporation a toujours été l'intermédiaire des départements militaires des États-Unis pour la conclusion de contrats entre les deux gouvernements. Elle a ainsi acquis une expérience qui lui permet d'aider, d'une part, le ministère de la Production de défense et, d'autre part, l'Armée, la Marine et l'Aviation des États-Unis dans la mise en oeuvre de leurs ententes visant le partage de la production.

Le programme (qui comprend le partage des études techniques) a été inauguré en 1958 par le ministère canadien de la Production de défense et par l'Armée, la Marine et l'Aviation des États-Unis. Il a pour objet de permettre à l'industrie canadienne de faire une concurrence plus efficace à l'industrie américaine pour l'obtention des contrats de défense adjugés par les Départements militaires des États-Unis ainsi que des sous-traités accordés par les adjudicataires américains de semblables contrats. Il a pour principe la nécessité reconnue d'assurer entre les deux pays un maximum de coordination des ressources en vue de la défense commune de l'Amérique du Nord et la collaboration économique à la production de défense. Ce principe a été admis par le Canada et les États-Unis d'Amérique dans la Déclaration de Hyde Park de 1941 et réaffirmé dans la "Déclaration de principes en matière de coopération économique" de 1950.

Les contrats conclus pour le compte de l'Administration du Plan de Colombo à l'intention de l'Inde, du Pakistan, de Ceylan, de la Birmanie, de la Malaisie, de l'Indonésie, du Sud Viet-nam, de Singapour et des Antilles se sont établis à \$11,534,000, comparativement à \$17,352,000 l'année précédente. Ces contrats ont compris du matériel et des services de génie pour des installations hydro-électriques, des centrales génératrices, des stations agricoles, des lignes de transmission, des écoles de formation technique et professionnelle, de même que des ateliers, ainsi que du câble marin, des traverses de chemins de fer, du matériel téléphonique, des avions terrestres, du matériel de laboratoire, des projecteurs et des fournitures photographiques, des engrais chimiques, des sulfites, de la pâte kraft, du beurre, de la farine, du blé, des levés techniques et des levés photographiques aériens. Les dépenses de l'année se sont élevées à \$21,259,000.

INSTITUTIONS DE L'ORGANISATION DES NATIONS UNIES

La valeur globale des approvisionnements visés par les contrats passés au cours de l'année financière pour le compte du Fonds des Nations Unies pour le secours à l'enfance a été de \$16,000 comparativement à \$14,000 en 1958-1959. Ces approvisionnements ont compris divers articles d'ordre général et des publications canadiennes.

AUTRES GOUVERNEMENTS

Les achats effectués au nom de l'Afrique du Sud, de l'Australie, de la Belgique, de l'Inde, de l'Italie, du Mozambique, de la Norvège et du Pakistan se sont élevés à \$631,000 comparativement à \$2,081,000 l'année financière précédente.

OPÉRATIONS DIVERSES

Les pièces et les accessoires d'avions achetés du gouvernement des États-Unis pour le compte de sociétés canadiennes ont représenté une somme de \$28,400.

A la demande du ministère des Affaires extérieures, la Corporation a acheté 32,000 tonnes fortes de farine canadienne au prix d'environ \$2,500,000, dont 19,000 tonnes ont été expédiées à l'Office de secours et de travaux des Nations Unies au Liban et en Égypte et 13,000 au gouvernement de Ceylan.

PROGRAMME DE PARTAGE DE LA PRODUCTION DE LA DÉFENSE

Au cours de l'année, la Corporation commerciale canadienne a continué d'aider le ministère canadien de la Production de défense dans la mise à exécution du Programme de partage de la production de défense entre le Canada et les États-Unis.

demandes de renseignements et la conclusion des marchés, une fois que la Corporation a réglé tous les détails avec le gouvernement ou l'organisation destinataire.

VALEUR DES OPÉRATIONS

La valeur globale des contrats passés et des commandes reçues par la Corporation au cours de l'année financière, à l'égard d'approvisionnements, de services et de travaux, a été de \$65,415,000, comparativement à \$92,739,000 l'année précédente.

Les livraisons effectuées et les travaux terminés au cours de l'année se sont établis, d'après les factures que la Corporation a reçues des fournisseurs, à \$96,362,000 au regard de \$95,050,000 l'année précédente.

Après un rajustement qui a réduit de \$4,007,000 le volume des affaires confiées à la Corporation au cours des années antérieures, le total des affaires gérées le 31 mars 1960 était de \$50,171,000. Ce montant représentait la valeur des marchandises, denrées et services non encore livrés et des entre-prises inachevées. Le chiffre correspondant de l'année précédente était de \$85,125,000.

DÉPARTEMENTS MILITAIRES DES ETATS-UNIS

De la valeur globale des nouvelles commandes reçues par la Corporation soit, comme il est indiqué plus haut, \$65,415,000, la somme de \$49,700,000 représente des contrats conclus avec les départements militaires des Etats-Unis; le montant avait été de \$68,447,000 l'année précédente. Ces contrats ont visé des produits chimiques, des dérivés du pétrole, des avions et pièces d'avions, des pièces de moteurs d'avions, la modification et la remise en état de fuselages et de moteurs d'avions, des services et des renseignements techniques à l'égard d'avions, des bâches pour moteurs, hélices et ailes d'avions, des pièces d'autoneiges, des traîneaux et des pièces de traineaux pour l'Arctique, de l'iridium, du papier, du matériel et des pièces de matériel de radar, du cadmium, du zinc, du matériel téléphonique, la réparation et la modification de navires américains au Canada, des machines et des pièces de matériel électronique, des appareils de transmission électrique, y compris du matériel et des services destinés au réseau de radar canado-américain connu sous le nom de "Pinetree" et le transport d'approvisionnement à certains points de la ligne DEW.

ROYAUME-UNI

Les achats de blé, de farine, de vaccins, de colis de ration, de matelas, de toboggans, d'une bâte perfectionnée (*superpanner*) et de matériel de défense effectués au Canada à l'intention du ministère de la Guerre, de l'Armature, du ministère de l'Aviation, du ministère de la Santé et du ministère des Approvisionnement du Royaume-Uni ont représenté \$1,005,000 au regard de \$4,337,000 l'année précédente.

RAPPORT DE LA

CORPORATION COMMERCIALE CANADIENNE

sur l'activité de l'année financière close le 31 mars 1960.

PRINCIPAUX CHEFS D'ACTIVITÉ

1. La Corporation a acheté au Canada pour le compte de gouvernements étrangers des marchandises, denrées et approvisionnements destinés à la défense et les a expédiés à leurs destinations respectives. Elle s'est engagée à acheter du matériel de défense au nom des départements militaires des Etats-Unis, du ministère de la Guerre, de l'Armature, du ministère de l'Aviation, du ministère de la Santé, du ministère des Approvisionnements du Royaume-Uni de même que pour les gouvernements des pays énumérés ci-après:

Afrique du Sud	Italie
Australie	Mozambique
Belgique	Norvège et
Inde	Pakistan

2. La Corporation a, pour le compte du ministère du Commerce, acheté des marchandises, denrées et services et passé des contrats visant divers travaux compris dans la contribution du Canada au Plan de Colombo et vu à l'expédition aux pays destinataires des objets ainsi obtenus.

3. La Corporation a acheté des marchandises et des produits au Canada pour le compte du Fonds international des Nations Unies pour le secours à l'enfance.

4. Elle a acheté du gouvernement des Etats-Unis, pour le compte de certaines sociétés canadiennes, des pièces et du matériel d'avions que les intéressés ne pouvaient obtenir sur le marché ordinaire.

FONCTIONNEMENT

Lorsqu'elle entreprend d'exporter ou d'importer des marchandises ou des services au nom de gouvernements et d'organisations, la Corporation commerciale canadienne fait, dans certains cas, fonction d'agent du gouvernement ou de l'organisation en cause. Dans d'autres, elle achète et vend pour son propre compte en qualité de mandant. Pour les opérations dont elle se charge, elle exige des frais d'administration nominaux des bénéficiaires, sauf du gouvernement des Etats-Unis qui rend gratuitement au Canada des services du même genre.

Dans la plupart des cas, la Corporation utilise les services d'achat du ministère de la Production de défense ou, lorsqu'il s'agit de contrats de construction, ceux de la Défence Construction (1951) Limited, société de la Couronne qui relève du ministre de la Production de défense. C'est à ce Ministère ou à cette Société de la Couronne, selon le cas, que sont confiées la plupart des

Cependant, la Corporation a conservé toutes ses autres fonctions dont une des plus importantes est l'acquisition au Canada des approvisionnement requis par les départements militaires des Etats-Unis, à titre de contribution au programme de défense commune des deux pays issu de la Déclaration de Hyde Park dont il est question dans le présent rapport. Cette tâche demeure l'une des principales de la Corporation et, le 31 mars 1960, la valeur globale des contrats passés au Canada pour le compte de ces départements américains dépassait 816 millions de dollars.

En 1952, la Corporation a accepté la tâche également importante d'acheter et d'expédier toutes les marchandises fournies par le Canada aux termes du Plan Colombo.

En outre, la Corporation a, à l'occasion, fait de nombreuses importations et exportations pour le compte de divers ministères et organismes du gouvernement canadien ou de maisons d'affaires qui n'arrivaient pas à obtenir leurs approvisionnements ou à vendre leurs produits par les voies ordinaires du commerce.

La valeur globale des marchés conclus par la Corporation depuis son établissement jusqu'au 31 mars 1960, y compris des contrats d'une valeur globale de \$1,136,000,000 passés pour le compte du ministère de la Défense nationale avant le 1^{er} avril 1951, est de \$2,715,300,000.

Grâce à l'expérience qu'elle a acquise depuis 1946 dans l'achat, le financement et l'expédition d'une variété incroyable de produits, la Corporation est dans une situation incomparable pour servir le gouvernement et l'industrie.

La Corporation commerciale canadienne a été établie en 1946, aux termes d'une loi du Parlement du Canada, comme société de la Couronne appartenant entièrement au gouvernement du Canada. Ses fonctions, telles qu'elles sont exposées dans la loi sous sa forme actuelle, sont les suivantes :

1. aider à l'expansion du commerce entre le Canada et d'autres nations;
2. aider des personnes au Canada

- a) à obtenir des marchandises et des denrées en dehors du Canada, et b) à placer des marchandises et des denrées exportables du Canada, et
3. exercer, au nom et sous la direction du ministre de la Production de défense, tous pouvoirs ou fonctions attribués au Ministre par quelque autre loi autorisant celui-ci à employer la Corporation pour les exercer.

Ainsi que le prévoyait la Loi, la Corporation a assumé en 1946, toutes les fonctions de l'ancienne Commission canadienne d'exportation qui, alors, s'occupait d'effectuer au Canada des achats pour le compte de divers gouvernements étrangers et de l'Administration de Secours et de Rétablissement des Nations Unies (UNRRA). Tout en continuant ce travail, elle s'est chargée d'acheter les articles nécessaires à la contribution du Canada à divers autres programmes et organismes de secours qui ont pris naissance après la guerre, dont le programme canadien de secours postérieurs à l'UNRRA, le Fonds international des Nations Unies pour le secours à l'enfance et l'Office de secours des Nations Unies pour les réfugiés de Palestine.

Par l'arrêté en conseil C.P. 314, du 5 février 1947, la Corporation a reçu, en même temps que le personnel nécessaire, les pouvoirs, devoirs et fonctions du ministre de la Reconstruction et des Approvisionnements pour l'achat des produits et services requis par le ministère de la Défense nationale. Ce nouveau rôle lui est resté dévolu jusqu'à l'établissement du ministère de la Production de défenses, le 1^{er} avril 1951, à la suite de l'ouverture des hostilités en Corée.

CORPORATION COMMERCIALE CANADIENNE
OTTAWA (CANADA)

le 24 juin 1960

L'honorable Raymond O'Hurley
Ministre de la Production de défense
Ottawa (Ontario)

Monsieur le Ministre,

J'ai l'honneur de vous présenter, conformément à l'article 13 (1) de la Loi de 1946 sur la Corporation commerciale canadienne, le rapport de la Corporation commerciale canadienne, ainsi que son bilan et son état des recettes et des dépenses, vérifiés par l'Auditeur général du Canada, pour l'année close le 31 mars 1960.

Veillez agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

Un administrateur

(signature) G. W. HUNTER

CORPORATION COMMERCIALE CANADIENNE

Société appartenant entièrement au gouvernement du Canada
Etablie par la Loi sur la Corporation Commerciale canadienne,
Statuts du Canada 1946, 10 George VI, chap. 40, modifiée
par les Statuts du Canada 1947, II George VI, chap. 51;
1949, 13 George VI, chap. 2; 1950, 14 George VI,
chap. 51 et 1951, 15 George VI, chap. 13.

ADMINISTRATEURS

M. D. M. ERSKINE,	M. G. W. HUNTER,
Directeur, Direction générale des achats,	Sous-ministre adjoint,
Ministère de la Production de défense.	Ministère de la Production de défense.
M. W. H. HUCK,	M. FINLAY SIM,
Sous-ministre adjoint,	Contrôleur-secrétaire,
Ministère de la Production de défense.	Ministère du Commerce.

M. R. G. JOHNSON,

Président.

Defence Construction (1951) Limited

DIRECTEURS

M. F. F. WADDELL,	M. W. R. HARRIS	M. G. F. WEVILL,
Secrétaire et conseiller juridique.	Adjoint au président.	Contrôleur.

SIÈGE SOCIAL

Edifice temporaire n° 4

56 rue Lyon

Ottawa (Ontario)

SUCCURSALE

2450 Massachusetts Ave.

Washington (D.C.)

DU 1^{ER} AVRIL 1959 AU 31 MARS 1960

Ministre de la Production de défense
AU
Quatorzième Rapport Annuel

CORPORATION
COMMERCIALE CANADIENNE



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Annual Report 1960-61

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CANADIAN COMMERCIAL CORPORATION

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CANADIAN COMMERCIAL CORPORATION

Government
Publication

A Company wholly owned by the Government of Canada

Established by Canadian Commercial Corporation Act, Statutes of Canada
1946, 10 George VI Chap. 40, as amended.

PRESIDENT AND CHAIRMAN OF THE BOARD

M. H. Lamoureux

DIRECTORS

D. M. ERSKINE,

Director, General Purchasing Branch,
Department of Defence Production.

G. W. HUNTER,

Assistant Deputy Minister,
Department of Defence Production.

W. H. HUCK,

Assistant Deputy Minister,
Department of Defence Production.

FINLAY SIM,

Comptroller-Secretary,
Department of Trade and Commerce.

R. G. JOHNSON,

President,
Defence Construction (1951) Ltd.

OFFICERS

F. F. WADDELL,

Secretary and Legal Adviser. Assistant to the President.

W. R. HARRIS,

G. F. WEVILL,

Comptroller.

HEAD OFFICE

No. 4 Temporary Building, 56 Lyon Street,
Ottawa, Ontario.

BRANCH OFFICE

2450 Massachusetts Ave.,
Washington, D.C.

CANADIAN COMMERCIAL CORPORATION

FUNCTIONS AND HISTORICAL BACKGROUND

Canadian Commercial Corporation was established in the year 1946 by Act of the Parliament of Canada as a Crown Corporation wholly owned by the Government of Canada. Its functions as set out in the Act, as amended, are :

1. To assist in the development of trade between Canada and other nations ;
2. To assist persons in Canada
 - (a) to obtain goods and commodities from outside Canada; and
 - (b) to dispose of goods and commodities that are available for export from Canada; and
3. To exercise on behalf and under the direction of the Minister of Defence Production any powers or functions vested in the Minister by any other Act that authorizes the Minister to employ the Corporation to exercise them.

By the terms of the Act, the Corporation took over in 1946 the whole of the undertakings of the Canadian Export Board, which at that time was carrying out procurement functions in Canada on behalf of various foreign governments and on behalf of the United Nations Relief and Rehabilitation Administration (UNRRA). The Corporation continued those activities and it also undertook to procure the Canadian requirements of various other relief programmes and organizations which came into being in the post-war years, such as the Canadian post-UNRRA relief programme, United Nations Children's Fund and United Nations Relief for Palestine Refugees.

By Order in Council P.C. 314 of 5th February, 1947, the power, duty and function which had been vested in the Minister of Reconstruction and Supply to purchase the requirements of the Department of National Defence was transferred to the Corporation, together with the necessary staff. These duties were fulfilled by the Corporation until the Department of Defence Production came into being on April 1st, 1951, following the outbreak of hostilities in Korea.

However, the Corporation retained all its other functions, amongst the most important of which was the procurement in Canada of the requirements of the United States Military Departments, constituting one part of the common defence effort of the two countries pursuant to the Hyde Park Declaration of 1941. This continues to be one of the Corporation's major activities, the total value of contracts placed in Canada on behalf of the U.S. Military Departments up to March 31, 1961, being over \$904,000,000.

In 1952, the Corporation accepted the responsibilities for purchasing and shipping the stores and equipment required in connection with Canada's contributions to the Colombo Plan. The Corporation continues to fulfill this responsibility on behalf of the External Aid Office.

In addition to the activities mentioned above, the Corporation has from time to time engaged in numerous importing and exporting transactions on behalf of various Canadian Government Departments and agencies, and it has also engaged in various transactions on behalf of commercial firms involving the importing and exporting of supplies which could not be procured or supplied through normal commercial channels.

The total value of the contracts entered into by the Corporation from its inception to March 31, 1961, was \$2,833,590,000, which included contracts to a total value of \$1,136,000,000 entered into on behalf of the Department of National Defence prior to April 1, 1951.

With the experience gained since 1946 in purchasing, financing and shipping an incredibly wide variety of products, the Corporation is in a unique position to be of service to the Government and to industry.

CANADIAN COMMERCIAL CORPORATION
OTTAWA, CANADA

Government
Publications

June 26, 1961.

The Honourable Raymond O'Hurley,
Minister of Defence Production,
OTTAWA, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Income and Expenditure, as audited by the Auditor General of Canada, covering the year ended March 31, 1961.

Yours faithfully,

(Signed) M. H. LAMOUREUX
President.

ANNUAL REPORT
OF
CANADIAN COMMERCIAL CORPORATION

Fiscal year ended March 31, 1961.

PRINCIPAL ACTIVITIES DURING YEAR

1. The Corporation purchased goods, commodities and defence supplies in Canada on behalf of the governments of other countries, and arranged for the shipment of these purchases to the respective destinations. In this category, the Corporation undertook to purchase defence supplies on behalf of the United States Military Departments; the United Kingdom War Office, Admiralty, Ministry of Agriculture, Ministry of Aviation and Ministry of Health; and for the Governments of

Australia	Greece	New Zealand
Belgium	Holland	Pakistan
Cambodia	India	Portugal
Germany	Italy	Sweden
Ghana	Malaya	

2. During the year, the administration of Canada's contributions to the Colombo Plan and the administration of other foreign aid obligations was consolidated in the External Aid Office, Department of External Affairs. On behalf of that Office, the Corporation purchased goods and services and placed contracts for various projects. The Corporation also arranged shipments to the receiving countries.

3. The Corporation purchased goods and commodities in Canada for United Nations and for agencies of the United Nations.

4. Purchases of equipment and aircraft parts, not available from commercial sources, were made by the Corporation from the Government of the United States, on behalf of certain Canadian firms.

METHODS OF OPERATIONS

When undertaking exporting or importing activities on behalf of governments and organizations, Canadian Commercial Corporation in some cases acts as agent of the government or organization concerned. In other cases the Corporation buys and sells on its own account as principal. It charges a nominal administration fee on all transactions except those for the Government of the United States. This exception is due to the fact that that Government renders for Canada, without charge, similar procurement services in the United States.

The Corporation in most cases uses the purchasing facilities of the Department of Defence Production or, when construction engineering contracts are involved, the facilities of Defence Construction (1951) Limited, a Crown company responsible to the Minister of Defence Production. Most enquiries and contracts

are processed through that Department or Crown company, as the case may be, after the Corporation has settled all details with the recipient government or organization.

VOLUME OF BUSINESS

The total value of supplies, services and projects called for in contracts and requisitions received by the Corporation during the fiscal year amounted to \$118,252,000, as compared with \$65,415,000 in the previous year.

The value of deliveries made and work completed during the year as reflected in suppliers' invoices received by the Corporation totalled \$101,996,000, as compared with \$96,362,000 in the previous year.

After allowing for a downward adjustment of \$1,715,000 in business received in former years, the total business under administration by the Corporation as at March 31, 1961, was approximately \$64,712,000. This represents the value of goods, commodities, services and projects to be delivered or completed. The corresponding figure for the previous year was \$50,171,000.

UNITED STATES MILITARY DEPARTMENTS

Of the total volume of new business received by the Corporation in the amount of \$118,252,000, as stated above, the sum of \$87,661,000 represents contracts entered into with the United States Military Departments, as compared with \$49,700,000 for the previous fiscal year. These contracts covered chemicals, metals, petroleum products, aircraft and spares, aircraft engine spares, aircraft ejection seat components, modification and overhaul of aircraft engines, technical services and data for aircraft, cobalt 60 irradiation facilities, maintenance of capacity for the production of nitroguanidine, charge holders, grenade launchers, cartridge clips, valves, a tracked ambulance and personnel carrier, arctic sleds and spares, navigation systems, packing and moving household effects, a frequency spectrum study, computer power supply equipment, investigation of signal processing logic techniques and methods, radar equipment and spares, telephone and radio equipment, repair and alteration of U.S. vessels in Canada, services for the manufacture of a multiple purpose film processing machine, electronic equipment and spares, electronic communication systems, including equipment and services for the joint Canada-United States Pinetree radar system, and transportation of supplies for certain DEW Line sites.

The Corporation continued to assist the Department of Defence Production in carrying out the Canada-USA Defence Production Sharing Programme. As a result of this programme, the number of enquiries received from the U.S. Military Departments increased to 3,794 as compared with 1,351 in the previous fiscal year. Contracts resulting from this activity are placed by the U.S. Military Departments with the Corporation in the normal manner and are included in the foregoing figures.

U.S. NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

During the year, an agreement was entered into between the Department of Defence Production and NASA, under which contracts from NASA will be

accepted by the Corporation on the same basis as contracts from the U.S. Military Departments. A basic agreement has been entered into between the Corporation and NASA, setting out the terms and conditions which will apply to such contracts.

UNITED KINGDOM

Purchases of flour, wheat, vaccine, ration packs, sleeping pads and defence supplies were made in Canada on behalf of the United Kingdom War Office, Admiralty, Ministry of Agriculture, Ministry of Aviation and Ministry of Health to a value of \$2,394,000 as compared with \$1,005,000 in the previous year.

COLOMBO PLAN AND OTHER EXTERNAL AID

Contracts entered into on behalf of the External Aid Office as part of Canada's contributions to the Colombo Plan and other external aid programmes, for the benefit of Burma, Cambodia, Ceylon, India, Indonesia, Malaya, Pakistan, Singapore, South Viet Nam, and the West Indies, totalled \$13,756,000, as compared with \$11,534,000 in the previous year. These contracts covered equipment and engineering services for hydro-electric power plants, generating stations, transmission lines, vocational and technical schools and workshops, fish storage depots, diesel locomotives and maintenance spare parts, radio and meteorological radio teletype communications equipment, cable, telephone equipment, boilers and accessories, fertilizers, kraft pulp, milk receiving equipment, flour, wheat and engineering and aerial photographic surveys. Expenditures made during the year amounted to \$15,780,500.

UNITED NATIONS AND U.N. AGENCIES

Late in the year, the Corporation placed its first contract on behalf of United Nations, and it continued to place contracts in Canada on behalf of the United Nations Children's Fund.

OTHER GOVERNMENTS

Purchases made on behalf of Australia, Belgium, Cambodia, Germany, Ghana, Greece, Holland, India, Italy, Malaya, New Zealand, Pakistan, Portugal and Sweden amounted to \$5,146,000, as compared with \$631,000 in the previous fiscal year.

MISCELLANEOUS TRANSACTIONS

At the request of the Department of External Affairs, the Corporation purchased 87,100 tons of Canadian flour at a cost of approximately \$9,072,000. Of this quantity, 28,300 tons were shipped to the United Nations Relief and Works Agency in Lebanon and Egypt; 19,000 tons were shipped to Norway and 30,000 tons to the United Kingdom under the N.A.T.O. Programme; and 9,800 tons were shipped to the Government of Chile as a donation from Canada for earthquake relief purposes. In future, it is expected that requisitions for requirements of this type will be received from the External Aid Office.

The value of airplane ejection seat components and ballistic testing thereof, technical publications and equipment purchased from the Government of the United States on behalf of Canadian firms amounted to \$2,300.

PRESIDENT AND CHAIRMAN OF THE BOARD

Marc-Henri Lamoureux was appointed in November, 1960, to fill the dual positions of President and Chairman of the Board of Directors. Mr. Lamoureux formerly occupied executive positions and held directorships in several industrial and transportation companies.

STAFF

The staff of the Corporation as of March 31, 1961, totalled 60 persons, including executive officers and administrative personnel at its head office in Ottawa, Canada, and at its office in Washington, D.C. The Board of Directors sincerely appreciates the loyal and efficient manner in which the staff has served the Corporation throughout the year, and it also appreciates the assistance rendered to the Corporation by the staffs of the Department of Defence Production, Defence Construction (1951) Limited, and other government departments and agencies.

ACCOUNTS

The balance sheet of the Corporation as at March 31, 1961, and the statement of income and expense for the year ended that date, duly certified and approved, with report by the Auditor General, are set out on the following pages.

According to the established policy, referred to earlier herein, administrative surcharge was not collected during the year from the Corporation's largest buyer, the United States Government. Thus income continued to be insufficient to meet operating costs with the result that the year showed a loss of \$88,757.25. As shown by the statements, this loss has been deducted from accumulated surplus.

Ottawa, June 22, 1961.

The Honourable Raymond O'Hurley,
Minister of Defence Production,
Ottawa.

Sir :

The accounts and financial statements of Canadian Commercial Corporation have been examined for the year ended March 31, 1961.

In compliance with section 87 of the Financial Administration Act I report that, in my opinion :

- (a) proper books of account have been kept by the Corporation;
- (b) the financial statements of the Corporation
 - (i) were prepared on a basis consistent with that of the preceding year and are in agreement with the books of account,
 - (ii) in the case of the balance sheet, give a true and fair view of the state of the Corporation's affairs as at the end of the financial year, and
 - (iii) in the case of the statement of income and expense, give a true and fair view of the income and expense of the Corporation for the financial year; and
- (c) the transactions of the Corporation that have come under my notice have been within the powers of the Corporation under the Canadian Commercial Corporation Act and the Financial Administration Act.

Yours faithfully,

A. M. HENDERSON
Auditor General.

CANADIAN COMMERCE

(Established under the Canada

Balance Sheet

(with comparative figures)

A S S E T S

1961

1960

GENERAL

Cash	\$ 3,983,995	\$ 3,274,626
Government of Canada Treasury Bills, at cost	3,863,171	2,690,982
Deposit with the Receiver General of Canada	250,000	—
Government of Canada Bonds, at par (market value \$166,649)	186,200	186,200
Advances and progress payments to suppliers on customers' projects	80,422,981	84,674,931
Accounts receivable	4,880,470	4,623,086
	<u>\$93,586,817</u>	<u>\$95,449,825</u>

AGENCY

Cash	\$ 95,664	\$ 147,190
Security deposits by contractors — (see contra) Government of Canada Bonds, at par	200,000	207,000
Advances and progress payments to suppliers	1,992,320	1,990,955
Accounts receivable	7,459	68,040
	<u>\$ 2,295,443</u>	<u>\$ 2,413,185</u>

Certified correct

(Sgd.) G. F. Wevill, Comptroller

Approved

(Sgd.) M. H. Lamoureux, President

IAL CORPORATION

mmercial Corporation Act)

March 31, 1961

March 31, 1960)

LIABILITIES

1961

1960

COUNT

Accounts payable	\$ 4,992,572	\$ 6,421,273
Advance payments by customers on projects in Canada	80,717,950	82,128,989
Reserve for U.S. exchange	65,490	—
Capital and Surplus		
Government of Canada — advance for working capital provided under Section 8 of The Canadian Commercial Corporation Act \$7,000,000		6,000,000
Surplus, per statement attached <u>810,805</u>		899,563
	7,810,805	
	<u>\$93,586,817</u>	<u>\$95,449,825</u>

COUNT

Accounts payable	\$ 24,049	\$ 92,256
Contractors' security deposits	225,972	207,000
Obligations to principals, representing advances from agencies of various governments and certain international bodies	2,045,422	2,113,929
	<u>\$ 2,295,443</u>	<u>\$ 2,413,185</u>

Certified in accordance with my report dated June 22, 1961 to the Minister of Defence Production under section 87 of the Financial Administration Act.

(Sgd.) A. M. HENDERSON
Auditor General of Canada

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expense for the year ended March 31, 1961

(with comparative figures for the year ended March 31, 1960)

1960		1961
	Income	
	Purchase surcharge from various governments (including Canada) and international agencies	\$158,810
\$136,513		
73,612	Interest earned	55,050
16,748	Exchange gain	50,788
—	Other income	4,932
<hr/>		<hr/>
\$226,873		\$269,580

	Expense	
	Salaries and living allowances (including executive officers' salaries \$34,167)	282,734
235,270		
14,864	Employees' welfare plans	19,277
17,463	Telephone, telegraph and postage	18,082
11,340	Rent and redecorating	13,881
8,935	Travel	9,255
140	Office furniture and equipment	7,485
4,784	Printing, stationery and office supplies	6,582
797	Other expenses	1,042
<hr/>		<hr/>
\$293,593		358,338
<hr/>		<hr/>
\$ 66,720	Net loss	\$ 88,758
<hr/>		<hr/>

Statement of Surplus for the year ended March 31, 1961

Balance at beginning of year	\$899,563
Less : Net loss for the year, per Statement of Income and Expense	88,758
	<hr/>
Balance at end of year	\$810,805
	<hr/>

CORPORATION COMMERCIALE CANADIENNE

Etat des recettes et de dépenses pour l'année terminée le 31 mars 1961
(avec chiffres comparatifs pour l'année terminée le 31 mars 1960)

1960	1961
Recettes	
Excédent du prix d'achat obtenu de divers gouvernements (y compris celui du Canada) et d'organismes internationaux	\$158,810
Intérêts gagnés	55,050
Recettes découlant du cours des devises	50,788
Autres recettes	4,932
<u>\$226,873</u>	<u>\$269,580</u>
Dépenses	
Traitements et allocations de subsistance (y compris la rémunération des fonctionnaires administratifs, \$34,167)	282,734
Régime de bien-être des employés	19,277
Téléphone, télégramme et affranchissement ..	18,082
Loyers et rénovation	13,881
Voyages	9,255
Mobilier et matériel de bureau	7,485
Impressions, papeterie et fournitures de bureau	6,582
Autres dépenses	1,042
<u>\$293,593</u>	<u>358,338</u>
\$ 66,720	\$ 88,758
Déficit net	

Etat de surplus pour l'année close le 31 mars 1961

Solde au début de l'année	\$899,563
Moins: Déficit net de l'année, indiqué à l'état des recettes et des dépenses	88,758
<u>Solde à la fin de l'année</u>	<u>\$810,805</u>

PASSIF

1961 1960

ÉNÉRAL

Dettes passives	\$ 4,992,572	\$ 6,421,273
Palements anticipés par des clients à compte de commandes au Canada	80,717,950	82,128,989
Réserve pour change des Etats-Unis	65,490	—
Capital et surplus:		
Gouvernement du Canada — avance de capitaux d'exploitation sous le régime de l'article 8 de la Loi sur la Corporation commerciale canadienne	\$7,000,000	6,000,000
Surplus, conformément à l'état ci-joint	810,805	899,563
	<u>7,810,805</u>	<u>\$95,449,825</u>

AGENCE

Dettes passives	\$ 24,049	\$ 92,256
Valeurs déposées par des entrepreneurs	225,972	207,000
Obligations envers des mandants, au titre d'avances reçues d'agences de divers gouvernements et de certains organismes internationaux	2,045,422	2,113,929
	<u>\$ 2,295,443</u>	<u>\$ 2,413,185</u>

Certifié conforme à mon rapport du 22 juin 1961 au ministre de la Production de défense sous le régime de l'article 87 de la Loi sur l'administration financière.

L'Auditeur général du Canada
(signature) A. M. HENDERSON

CORPORATION COMM

(Établie sous le régime de la Loi

Bilan au

(avec chiffres com

A C T I F

1961

1960

Encaisse \$ 3,983,995

\$ 3,274,626

Bons du Trésor du Canada, au prix coûtant

3,863,171

2,690,982

En dépôt chez le Receveur général du Canada ..

250,000

—

Obligations du gouvernement du Canada, au

186,200

186,200

Avances et paiements provisoires à des fournisseurs,
à compte de commandes reçues de clients

80,422,981

84,674,931

Dettes actives

4,880,470

4,623,086

\$93,586,817

\$95,449,825

COMP

Encaisse

\$ 95,664

\$ 147,190

Valeurs déposées par entrepreneurs — (Voir ci-contre)
Obligations du gouvernement du

200,000

207,000

Avances et paiements provisoires à des

1,992,320

1,990,955

fournisseurs

7,459

68,040

Dettes actives

\$ 2,295,443

\$ 2,413,185

Certifié exact

Le contrôleur

(signature) G. F. Wevill

Approuvé

Le président

(signature) M. H. LAMOUREUX

Ottawa, le 22 juin 1961

L'honorable Raymond O'Hurley

Ministre de la Production de défense

Ottawa

Monsieur le Ministre,

Les comptes et les états financiers de la Corporation commerciale canadienne pour l'année financière terminée le 31 mars 1961 ont été examinés.

Ainsi que l'exige l'article 87 de la Loi sur l'administration financière, je déclare que, à mon avis,

- a) la Corporation a tenu les livres de comptabilité appropriés
- b) les états financiers de la Corporation

- (i) ont été préparés sur une base compatible avec celle de l'année précédente et sont conformes aux livres de comptabilité,

- (ii) dans le cas du bilan, présentent de façon exacte et fidèle la situation idée exacte et fidèle des recettes et des dépenses de la Corporation pendant l'année financière, et

- (iii) dans le cas de l'état des recettes et des dépenses, donnent une idée exacte et fidèle des recettes et des dépenses de la Corporation pendant l'année financière, et

- c) les opérations de la Corporation qui sont venues à ma connaissance étaient dans les limites de la compétence que lui accordent la Loi sur la Corporation commerciale canadienne et la Loi sur l'administration financière.

Je vous prie d'agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

L'auditeur général

(Signature) A. M. HENDERSON

OPÉRATIONS DIVERSES

A la demande du ministère des Affaires extérieures, la Corporation a acheté au coût d'environ \$9,072,000, 87,100 tonnes de farine canadienne dont 28,300 tonnes ont été expédiées à l'Office de secours et de travaux des Nations Unies au Liban et en Égypte, 19,000 tonnes à la Norvège et 30,000 tonnes au Royaume-Uni sous le régime du programme de l'OTAN et 9,800 tonnes au gouvernement du Chili, sous forme de don du Canada à la suite des tremblements de terre. Il est probable qu'à l'avenir les demandes de cette nature viendront du Bureau de l'Aide extérieure.

La valeur des éléments de sièges éjectables d'avions et des essais balistiques de ces éléments, des publications et du matériel techniques du gouvernement des États-Unis pour le compte de sociétés canadiennes s'est établie à \$2,300.

PRÉSIDENT DE LA CORPORATION ET DU CONSEIL

M. Marc-Henri Lamoureux a été nommé en novembre 1960 au double poste de président de la Corporation et de président du Conseil d'administration. Avant sa nomination, M. Lamoureux avait participé à la direction et siégé au conseil d'administration de diverses sociétés industrielles et entreprises de transport.

PERSONNEL

Le 31 mars 1961, la Corporation avait à son service 60 personnes, y compris tout le personnel directeur et administratif du siège social à Ottawa (Canada) et de la succursale de Washington (D.C.). Le Conseil d'administration tient à les remercier de leur fidélité au devoir et de leur bon travail. Il désire aussi exprimer sa vive appréciation des services rendus par le personnel du ministère de la Production de défense, de la Défense Construction (1951) Limited et d'autres ministères et organismes du gouvernement.

ÉTAT FINANCIER

Vous trouverez aux pages qui suivent le bilan de la Corporation arrêté au 31 mars 1961 et l'état des recettes et des dépenses pour l'année financière terminée à la même date, dûment certifiées et approuvées, ainsi que le rapport de l'Auditeur général.

Conformément à une ligne de conduite mentionnée plus haut, aucun frais d'administration n'a été perçu au cours de l'année du principal acheteur de la Corporation, le gouvernement des États-Unis. Pour cette raison, encore une fois, les recettes n'ont pas suffi à acquitter les frais courants et les opérations de l'année se sont soldées par un déficit de \$88,757.25. Ainsi que l'indiquent les états ci-joints, cette perte a été déduite du surplus accumulé.

Les achats effectués au nom de l'Allemagne, de l'Australie, de la Belgique, du Cambodge, du Ghana, de la Grèce, de la Hollande, de l'Inde, de l'Italie, de la Malaisie, de la Nouvelle-Zélande, du Pakistan, du Portugal et de la Suède ont atteint \$5,146,000, comparativement à \$631,000 l'année précédente.

AUTRES GOUVERNEMENTS

La Corporation a conclu vers la fin de l'année son premier contrat pour le compte des Nations Unies et elle a continué de passer au Canada des contrats pour le Fonds de secours à l'enfance de cet organisme.

L'ORGANISATION DES NATIONS UNIES ET SES INSTITUTIONS

Les contrats conclus au nom du Bureau de l'aide extérieure, du chef de la contribution du Canada au Plan de Colombo et aux autres programmes d'aide extérieure en faveur des Antilles, de la Birmanie, du Cambodge, de Ceylan, de l'Inde, de l'Indonésie, de la Malaisie, du Pakistan, de Singapour et du Sud Viet-nam se sont établis à \$13,756,000, en comparaison de \$11,534,000 l'année précédente. Ces contrats ont visé du matériel et des services de génie pour les installations hydro-électriques, des centrales génératrices, des lignes de transmission, des écoles de formation technique et professionnelle, de même que des ateliers, des entrepôts pour le poisson, des locomotives et des pièces de locomotives diesel, de l'appareillage de radio et du matériel radio-téléscripteur de transmission de données météorologiques, du câble, du matériel de téléphonie, des chaudières et accessoires, des engrais chimiques, de la pâte à papier kraft, du matériel de réception du lait, de la farine, du blé ainsi que des levés techniques et des levés photographiques aériens. Les dépenses au cours de l'année se sont établies à \$15,780,500.

PLAN DE COLOMBO ET AUTRES FORMES D'AIDE EXTERIEURE

Les achats de blé, de farine, de vaccins, de colis de ration, de matelas et de matériel de défense effectués au Canada, à l'intention du ministère de la Guerre, de l'Armature, du ministère de l'Agriculture, du ministère de l'Aviation, et du ministère de la Santé du Royaume-Uni ont représenté \$2,394,000, au regard de \$1,005,000 l'année précédente.

ROYAUME-UNI

Au cours de l'année, une entente est intervenue entre le ministère de la Production de défense et NASA par laquelle les contrats de ce dernier organisme seront acceptés par la Corporation au même titre que ceux des départements militaires des Etats-Unis. Un accord-type établi entre la Corporation et NASA détermine les termes et les conditions applicables à ces contrats.

U.S. NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

par les départements militaires américains avec la Corporation de la façon habituelle et sont donc compris dans les chiffres ci-haut.

ceux de la Défence Construction (1951) Limited, société de la Couronne qui relève du ministre de la Production de défense. C'est à ce Ministère ou à cette société de la Couronne, selon le cas, que sont confiées la plupart des demandes de renseignements et la conclusion des marchés, une fois que la Corporation a réglé tous les détails avec le gouvernement ou l'organisation destinataire.

VALEUR DES OPÉRATIONS

La valeur globale des contrats passés et des commandes reçues par la Corporation au cours de l'année financière, à l'égard d'approvisionnement, de services et de travaux, a été de \$118,252,000, comparativement à \$65,415,000 l'année précédente.

Les livraisons effectuées et les travaux terminés au cours de l'année se sont établis, d'après les factures que la Corporation a reçues des fournisseurs, à \$101,996,000, au regard de \$96,362,000 l'année précédente.

Après un rajustement qui a réduit de \$1,715,000 le volume des affaires connues à la Corporation au cours des années antérieures, le total des affaires gérées le 31 mars 1961 était de l'ordre de \$64,712,000. Ce montant représentait la valeur des marchandises, denrées et services non encore livrés et des entreprises inachevées. Le chiffre correspondant de l'année précédente était de \$50,171,000.

DÉPARTEMENTS MILITAIRES DES ÉTATS-UNIS

De la valeur globale des nouvelles commandes reçues par la Corporation, soit comme il est indiqué plus haut, \$118,252,000, la somme de \$87,661,000 représente des contrats conclus avec des départements militaires des États-Unis, au regard de \$49,700,000 l'année précédente. Ces contrats ont visé des produits chimiques, des métaux, des dérivés du pétrole, des avions et des pièces d'avions, des pièces de moteurs d'avions, des éléments de sièges éjectables, la modification et la remise en état de moteurs d'avions, des services et des renseignements d'ordre technique à l'égard d'avions, du matériel d'irradiation au moyen du cobalt 60, le maintien des moyens de production de nitroguanidine, des porte-charges, des lance-grénades, des charges de cartouches, des soupapes, une voiture à chenilles pour le service d'ambulance et le transport du personnel, des trains et des pièces de traineaux pour l'Arctique, des systèmes de navigation, du matériel transport d'articles de ménage, une étude du spectre de fréquences, du matériel d'alimentation en électricité de calculatrices, des études sur les techniques et les méthodes logiques d'acheminement des signaux, des appareils et des pièces d'appareils de radar, du matériel radiophonique et téléphonique, la réparation et la modification de navires américains au Canada, des services pour la fabrication d'une machine à fins multiples pour le développement de films, du matériel et des pièces de matériel électronique, des appareils de transmission électroniques, y compris du matériel et des services destinés au réseau de radar canado-américain "Pinetree" et le transport d'approvisionnement à certains points de la ligne DEW.

La Corporation a continué d'aider le ministère de la Production de défense dans l'application du programme canado-américain de partage de la production de défense. Grâce à ce programme, le nombre des demandes de renseignements reçus des départements militaires des États-Unis a été de 3,794, au regard de 1,351 l'année précédente. Les contrats qui résultent de cette activité sont conclus

RAPPORT
DE LA

CORPORATION COMMERCIALE CANADIENNE

sur l'activité de l'année financière close le 31 mars 1961

PRINCIPAUX CHEFS D'ACTIVITÉ

1. La Corporation a acheté au Canada pour le compte de gouvernements étrangers des marchandises, denrées et approvisionnement destinés à la défense et les a expédiés à leurs destinations respectives. Elle s'est engagée à acheter du matériel de défense au nom des départements militaires des Etats-Unis, du ministère de la Guerre, de l'Amirauté, du ministère de l'Agriculture, du ministère de l'Aviation, et du ministère de la Santé du Royaume-Uni, ainsi que pour les gouvernements des pays énumérés ci-après :

Allemagne	Grèce	Malaisie
Australie	Hollande	Nouvelle-Zélande
Belgique	Inde	Pakistan
Cambodge	Italie	Portugal
Ghana		Suède

2. Au cours de l'année, les fonctions administratives visant les contributions du Canada au plan de Colombo et les autres formes d'aide étrangère que le Canada s'est engagé à fournir ont été centralisées au Bureau de l'aide extérieure qui relève du ministère des Affaires extérieures. La Corporation a, pour le compte de ce bureau, acheté des marchandises, denrées et services et passé des contrats visant divers travaux. Elle a également vu à l'expédition aux pays destinataires des objets ainsi obtenus.

3. La Corporation a acheté des marchandises et des produits au Canada pour le compte des Nations Unies et de ses institutions.

4. Elle a acheté du gouvernement des Etats-Unis, pour le compte de certaines sociétés canadiennes, des pièces et du matériel d'avions que les intéressés ne pouvaient obtenir sur le marché ordinaire.

FONCTIONNEMENT

Lorsqu'elle entreprend d'exporter ou d'importer des marchandises ou des services au nom de gouvernements et d'organisations, la Corporation commerciale canadienne fait, dans certains cas, fonction d'agent du gouvernement ou de l'organisation en cause. Dans d'autres, elle achète et vend pour son propre compte en qualité de mandant. Pour les opérations dont elle se charge, elle exige des frais d'administration nominaux des bénéficiaires, sauf du gouvernement des Etats-Unis qui rend gratuitement au Canada des services du même genre.

Dans la plupart des cas, la Corporation utilise les services d'achat du ministère de la Production de défense ou, lorsqu'il s'agit de contrats de construction,

CORPORATION COMMERCIALE CANADIENNE
OTTAWA (CANADA)

Le 26 juin 1961.

L'honorable Raymond O'Hurley
Ministre de la Production de défense
Ottawa (Ontario)

Monsieur le Ministre,

J'ai l'honneur de vous présenter, conformément à l'article 13 (1) de la Loi de 1946 sur la Corporation commerciale canadienne, le rapport de la Corporation commerciale canadienne, ainsi que son bilan et son état des recettes et des dépenses, vérifiés par l'Auditeur général du Canada, pour l'année close le 31 mars 1961.

Veuillez agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

Le président

(signature) M. H. LAMOUREUX

Cependant, la Corporation a conservé toutes ses autres fonctions dont une des plus importantes est l'acquisition au Canada des approvisionnements requis par les départements militaires des Etats-Unis, à titre de contribution au programme de défense commune des deux pays issu de la Déclaration de Hyde Park de 1941. Cette tâche demeure l'une des principales de la Corporation et, le 31 mars 1961, la valeur globale des contrats passés au Canada pour le compte de ces départements américains dépassait 904 millions de dollars.

En 1952, la Corporation a accepté la tâche d'acheter et d'expédier toutes les marchandises et le matériel fournis par le Canada aux termes du Plan de Colombo. La Corporation continue cette activité au nom du Bureau de l'aide extérieure.

En outre, la Corporation a, à l'occasion, fait de nombreuses importations et exportations pour le compte de divers ministères et organismes du gouvernement canadien ou de maisons d'affaires qui n'arrivaient pas à obtenir leurs approvisionnements ou à vendre leurs produits par les voies ordinaires du commerce.

La valeur globale des marchés conclus par la Corporation depuis son établissement jusqu'au 31 mars 1961, y compris des contrats d'une valeur globale de \$1,136,000,000 passés pour le compte du ministère de la Défense nationale avant le 1^{er} avril 1951, est de \$2,833,590,000.

Grâce à l'expérience qu'elle a acquise depuis 1946 dans l'achat, le financement et l'expédition d'une variété incroyable de produits, la Corporation est dans une situation incomparable pour servir le gouvernement et l'industrie.

CORPORATION COMMERCIALE CANADIENNE

FONCTIONS ET HISTORIQUE

La Corporation commerciale canadienne a été établie en 1946, aux termes d'une loi du Parlement du Canada, comme société de la Couronne appartenant entièrement au gouvernement du Canada. Voici ses fonctions, telles qu'elles sont exposées dans la loi sous sa forme actuelle :

1. aider à l'expansion du commerce entre le Canada et d'autres nations ;
 2. aider des personnes au Canada
 - a) à obtenir des marchandises et des denrées en dehors du Canada, et
 - b) à placer des marchandises et des denrées exportables du Canada, et
 3. exercer, au nom et sous la direction du ministre de la Production de défense, tous pouvoirs ou fonctions attribués au Ministre par quelque autre loi autorisant celui-ci à employer la Corporation pour les exercer.
- Ainsi que le prévoyait la Loi, la Corporation a assumé en 1946 toutes les fonctions de l'ancienne Commission canadienne d'exportation qui, alors, s'occupait d'effectuer au Canada des achats pour le compte de divers gouvernements étrangers et de l'Administration de Secours et de Rétablissement des Nations Unies (UNRRA). Tout en continuant ce travail, elle s'est chargée d'acheter les articles nécessaires à la contribution du Canada à divers autres programmes et organismes de secours qui ont pris naissance après la guerre, dont le programme canadien de secours postérieur à l'UNRRA, le Fonds international des Nations Unies pour le secours à l'enfance et l'Office de secours des Nations Unies pour les réfugiés de Palestine.

Par l'arrêté en conseil C.P. 314, du 5 février 1947, la Corporation a reçu, en même temps que le personnel nécessaire, les pouvoirs, devoirs et fonctions du ministre de la Reconstruction et des Approvisionnements pour l'achat des produits et services requis par le ministère de la Défense nationale. Ce nouveau rôle lui est resté dévolu jusqu'à l'établissement du ministère de la Production de défense, le 1^{er} avril 1951, à la suite de l'ouverture des hostilités en Corée.

CORPORATION COMMERCIALE CANADIENNE

Société appartenant entièrement au gouvernement du Canada
Etablie par la Loi sur la Corporation commerciale canadienne, chapitre 40
modifié des Statuts du Canada 1946, 10 George VI

PRÉSIDENT DE LA CORPORATION
ET DU CONSEIL D'ADMINISTRATION

M. M.-H. Lamoureux

ADMINISTRATEURS

M. D. M. ERSKINE, Directeur, Direction générale des achats,
M. G. W. HUNTER, Sous-ministre adjoint, Ministère de la Production de défense.
M. W. H. HUCK, Sous-ministre adjoint, Ministère de la Production de défense.
M. FINLAY SIM, Contrôleur-secrétaire, Ministère du Commerce.

M. R. G. JOHNSON, Président,
Defence Construction (1951) Limited

DIRECTEURS

M. F. F. WADDELL, Secrétaire et conseiller juridique.
M. W. R. HARRIS, Adjoint au président.
M. G. F. WEVILL, Contrôleur.

SIÈGE SOCIAL

Edifice temporaire n° 4

56 rue Lyon

Ottawa (Ontario)

SUCCESSALE

2450 Massachusetts Ave.

Washington (D.C.)

CORPORATION COMMERCIALE CANADIENNE

Rapport Annuel 1960-61



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Annual Report 1961-62

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CANADIAN COMMERCIAL CORPORATION

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CANADIAN COMMERCIAL CORPORATION

A Company wholly owned by the Government of Canada

Established by Canadian Commercial Corporation Act, Statutes of Canada
1946, 10 George VI Chap. 40, as amended.

CHAIRMAN OF THE BOARD

M.-H. LAMOUREUX

DIRECTORS

D. M. ERSKINE,

Director, General Purchasing Branch,
Department of Defence Production.

G. W. HUNTER,

Assistant Deputy Minister,
Department of Defence Production.

W. H. HUCK,

Assistant Deputy Minister,
Department of Defence Production.

R. G. JOHNSON,

President,
Defence Construction (1951) Ltd.

FINLAY SIM,

Comptroller-Secretary,
Department of Trade and Commerce.

OFFICERS

M.-H. LAMOUREUX,

President and General Manager.

F. F. WADDELL,

Secretary and Legal Adviser.

W. R. HARRIS,

Assistant General Manager.

G. F. WEVILL,

Comptroller.

HEAD OFFICE

No. 4 Temporary Building, 56 Lyon Street,
Ottawa, Ontario.

BRANCH OFFICE

2450 Massachusetts Ave.,
Washington, D.C.

CANADIAN COMMERCIAL CORPORATION

Canadian Commercial Corporation was established in the year 1946 by Act of the Parliament of Canada as a Crown Corporation wholly owned by the Government of Canada.

FUNCTIONS

The Corporation is responsible to the Minister of Defence Production.

Its principal purpose is to enable other governments to purchase defence supplies in Canada on a government to government basis rather than directly from Canadian manufacturers. In these transactions the Corporation purchases the required supplies from Canadian industry on behalf of the other country.

Another important function of the Corporation is to purchase from Canadian manufacturers and suppliers goods, equipment and facilities which the Government of Canada contributes under the Colombo Plan and under programmes covering aid rendered by Canada to other nations.

Additional activities of the Corporation are referred to in its Annual Reports.

HISTORICAL BACKGROUND

By the terms of the Canadian Commercial Corporation Act, the Corporation took over, in 1946 the whole of the undertakings of the Canadian Export Board, which at that time was carrying out procurement functions in Canada on behalf of various foreign governments and on behalf of the United Nations Relief and Rehabilitation Administration (UNRRA). The Corporation continued those activities and it also undertook to procure the Canadian requirements of various other relief programmes and organizations which came into being in the post-war years, such as the Canadian post-UNRRA relief programme, United Nations Children's Fund and United Nations Relief for Palestine Refugees.

By Order in Council P.C. 314 of 5th February, 1947, the power, duty and function which had been vested in the Minister of Reconstruction and Supply to purchase the requirements of the Department of National Defence was transferred to the Corporation, together with the necessary staff. These duties were fulfilled by the Corporation until the Department of Defence Production came into being on April 1st, 1951, following the outbreak of hostilities in Korea.

However, the Corporation retained all its other functions, amongst the most important of which was the procurement in Canada of the requirements of the United States Military Departments, constituting one part of the common defence effort of the two countries. This continues to be one of the Corporation's major activities, the total value of contracts placed in Canada on behalf of the U.S. Military Departments up to March 31, 1962, being over \$1,026,000,000.

In 1952, the Corporation accepted the responsibilities for purchasing and shipping the stores and equipment required in connection with Canada's contributions to the Colombo Plan. The Corporation continues to fulfill this responsibility on behalf of the External Aid Office.

In addition to the activities mentioned above, the Corporation has from time to time engaged in numerous importing and exporting transactions on behalf of

various Canadian Government Departments and agencies, and it has also engaged in various transactions on behalf of commercial firms involving the importing and exporting of supplies which could not be procured or supplied through normal commercial channels.

The total value of the contracts entered into by the Corporation from its inception to March 31, 1962, was \$2,983,977,000 which included contracts to a total value of \$1,136,000,000 entered into on behalf of the Department of National Defence prior to April 1, 1951.

With the experience gained since 1946 in purchasing, financing and shipping an extremely wide variety of products, the Corporation is in a unique position to be of service to the Government and to industry.

CANADIAN COMMERCIAL CORPORATION

June 27, 1962.

The Honourable Raymond O'Hurley,
Minister of Defence Production,
Ottawa, Ontario.

Sir,

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Income and Expenditure, as audited by the Auditor General of Canada, covering the year ended March 31, 1962.

Yours faithfully,

(Signed) M.-H. LAMOUREUX

President.

ANNUAL REPORT
OF
CANADIAN COMMERCIAL CORPORATION

Fiscal year ended March 31, 1962.

PRINCIPAL ACTIVITIES DURING YEAR

1. The Corporation purchased goods, commodities and defence supplies in Canada on behalf of the governments of other countries, and arranged for the shipment of these purchases to the respective destinations. In this category the Corporation undertook to purchase defence supplies on behalf of the United States Military Departments; the United Kingdom Admiralty, War Office, Ministry of Aviation, Ministry of Health and Ministry of Supply; and for the Governments of

Argentina	Holland	Pakistan
Australia	India	South Africa
Belgium	Italy	Southern Rhodesia
France	Mozambique	Sweden
Germany	New Zealand	West Indies
Ghana	Norway	

2. During the year the Corporation purchased goods and services and placed contracts for various projects on behalf of the External Aid Office, Department of External Affairs, covering Canada's contributions to the Colombo Plan and other foreign aid obligations. The Corporation also arranged shipments to the receiving countries.

3. The Corporation purchased goods and commodities in Canada for United Nations and for agencies of the United Nations.

4. Miscellaneous purchases were made during the year as a service to certain domestic and foreign firms to which commercial channels of procurement were not available.

METHOD OF OPERATION

When undertaking exporting or importing activities on behalf of governments and organizations, Canadian Commercial Corporation in some cases acts as agent of the government or organization concerned. In other cases the Corporation buys and sells on its own account as principal.

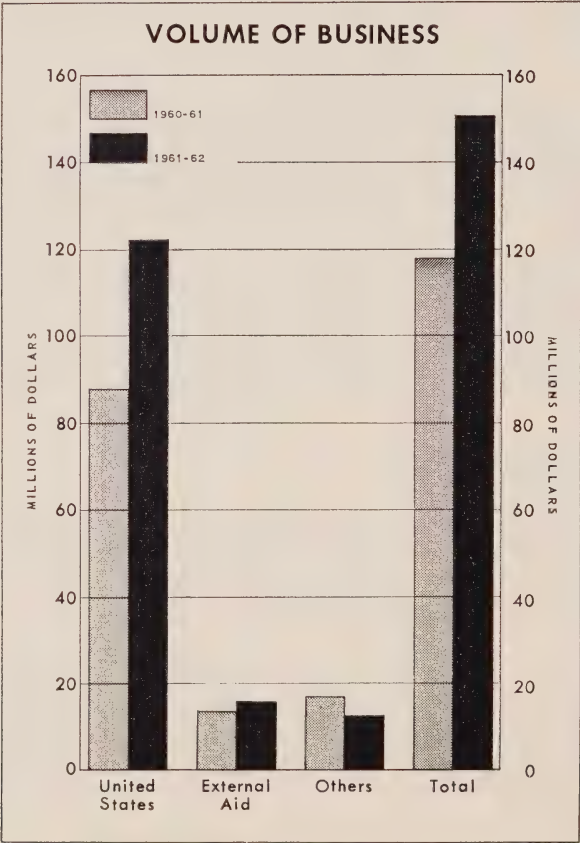
The Corporation in most cases uses the purchasing facilities of the Department of Defence Production or, when construction engineering contracts are involved, the facilities of Defence Construction (1951) Limited, a Crown company responsible to the Minister of Defence Production. Most enquiries and contracts are processed through that Department or Crown company, as the case may be, after the Corporation has settled all details with the government or organization requiring the supplies.

The Corporation makes available to the recipient government or organization the established purchasing practices, procedures and policies of the Department of Defence Production. These include the evaluation of all quotations and proposals of Canadian suppliers after that Department has assessed their plant facilities and capability. If desired, the Corporation is prepared to arrange for design and quality control, and inspection and acceptance of the supplies by agencies of the Government of Canada on behalf of the recipient government or organization.

The Corporation maintains financial control of all transactions. Payments to Canadian suppliers are made only after proper certification, and all final billings from suppliers are required to be supported by proof of acceptance and delivery of the supplies. The Corporation also arranges for Government audits of the accounts of suppliers in appropriate cases.

VOLUME OF BUSINESS

The total value of supplies, services and projects called for in contracts and requisitions received by the Corporation during the fiscal year amounted to \$150,387,000, as compared with \$118,252,000 in the previous year. The following chart contains comparative figures for the last two fiscal years.



The value of deliveries made and work completed during the year as reflected in suppliers' invoices received by the Corporation totalled \$107,395,000 as compared with \$101,996,000 in the previous year.

After allowing for a downward adjustment of \$2,337,000 in business received in former years, the total business under administration by the Corporation as at March 31, 1962, was approximately \$105,367,000. This represents the value of goods, commodities, services and projects to be delivered or completed. The corresponding figure for the previous year was \$64,712,000.

UNITED STATES MILITARY DEPARTMENTS

Of the total volume of new business received by the Corporation in the amount of \$150,387,000, as stated above, the sum of \$121,975,000 represents contracts entered into with the United States Military Departments, as compared with \$87,661,000 for the previous fiscal year. These contracts covered chemicals, metals, petroleum products, aircraft and spares, aircraft pendants, aircraft engine spares, aircraft ejection seat components, airborne navigational equipment, modification and overhaul of aircraft engines, technical services and data for aircraft, research and development projects, cobalt 60, nitroguanidine, charge holders, cartridges and cartridge clips, gun barrels and guard rails, valves, tube forgings, tracked carriers, arctic sleds and spares, packing and moving household effects, cutting, grooving and beveling machines, steam condensers and air ejector assemblies, radar equipment and spares, radomes, telephone and radio equipment, ship propellers, repair and alteration of vessels in Canada, plotting tables, submarine missile tube shells and cable, services for the manufacture of a multiple purpose film processing machine, electronic equipment and spares, electronic communication systems, including equipment and services for the joint Canada-United States Pinetree radar system, and transportation of supplies for certain DEW Line sites.

The Corporation continued to assist the Department of Defence Production in carrying out the Canada-USA Defence Production Sharing Programme. As a result of this programme, the number of enquiries received from the U.S. Military Departments increased to 6,341 as compared with 3,794 in the previous fiscal year. Contracts resulting from this activity are placed by the U.S. Military Departments with the Corporation in the normal manner and are included in the foregoing figures.

U.S. NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

During the year, additional services in connection with the establishment of the proposed "Minitrack" Satellite Tracking Station totalled \$47,000, and a contract for the design and fabrication of a prototype erectable antenna unit amounted to \$15,000.

UNITED KINGDOM

Purchases of flour, wheat, vaccine, ration packs, sleeping pads, vehicle navigational aid systems and spare parts and defence supplies were made in Canada on behalf of the United Kingdom Admiralty, War Office, Ministry of Aviation,

Ministry of Health and Ministry of Supply to a value of \$1,114,000 as compared with \$2,394,000 in the previous year.

COLOMBO PLAN AND OTHER EXTERNAL AID

Contracts entered into on behalf of the External Aid Office as part of Canada's contributions to the Colombo Plan and other external aid programmes, for the benefit of British Guiana, British Honduras, Burma, Ceylon, India, Indonesia, Malaya, Pakistan, South Viet Nam, Special Commonwealth Africa Aid Programme and West Indies, totalled \$15,890,000, as compared with \$13,756,000 in the previous year. These contracts covered equipment and engineering services for hydro-electric power plants, generating stations, transmission lines, vocational, technical and marine fisheries schools and workshops, jeeps, automobiles, trucks and spare parts, turbocraft boats, meteorological radio teletype communications equipment, cable, telephone equipment, fertilizers, wood pulp, newsprint, white book paper, flour and engineering and aerial photographic surveys. Expenditures made during the year amounted to \$12,314,500.

UNITED NATIONS AND U.N. AGENCIES

The Corporation placed contracts on behalf of the United Nations and U.N. Agencies in the amount of \$129,000 as compared with \$91,700 in the previous year. These purchases covered hospital supplies, vitamin capsules, sugar and table salt, kitchen ware, butter churns, electrical appliances, pumps, cement and garden equipment.

OTHER GOVERNMENTS

Purchases made on behalf of Argentina, Australia, Belgium, France, Germany, Ghana, Holland, India, Italy, Mozambique, New Zealand, Norway, Pakistan, South Africa, Southern Rhodesia, Sweden and the West Indies amounted to \$9,679,000, as compared with \$5,146,000 in the previous fiscal year.

MISCELLANEOUS ACTIVITIES

The following are some of the Corporation's transactions of a miscellaneous nature.

At the request of the Department of External Affairs the Corporation purchased 15,825 tons of Canadian flour at a cost of approximately \$1,500,000 for the United Nations Relief and Works Agency in Lebanon and Egypt, as a donation from the Government of Canada.

The Corporation purchased services for research work and the preparation of treatments and scripting story board for a film dealing with Meteorological Science, valued at \$5,500, from the National Film Board for the American Meteorological Society.

The Corporation on behalf of Standard Electrica S.A.R.L., Portugal, purchased a Radiosonde Recorder valued at \$580 from the Canadian Department of Transport.

RESIGNATION OF A DIRECTOR

The resignation of Mr. Finlay Sim, one of the Directors of the Corporation, effective March 31, 1962, was regretted by the Board of Directors and by the Officers and staff of the Corporation. Mr. Sim, who is an officer of the Department of Trade and Commerce, has moved to Glasgow, Scotland, as Trade Commissioner for Canada. Since his appointment to the Board of Directors in 1953 Mr. Sim had rendered outstanding service to the Corporation.

STAFF

The staff of the Corporation as of March 31, 1962, totalled 69 persons, including executive officers and administrative personnel at its head office in Ottawa, Canada, and at its office in Washington, D.C. The Board of Directors sincerely appreciates the loyal and efficient manner in which the staff has served the Corporation throughout the year, and it also appreciates the assistance rendered to the Corporation by the staffs of the Department of Defence Production, Defence Construction (1951) Limited, and other government departments and agencies.

ACCOUNTS

The balance sheet of the Corporation as at March 31, 1962, and the statement of income and expense for the year ended that date, duly certified and approved, with report by the Auditor General, are set out on the following pages.

It is the policy of the Corporation not to collect any administrative surcharge or fee for purchasing services from those allied governments which render similar services to Canada or which have entered into international defence arrangements with Canada such as exist under NATO. These governments include the Corporation's largest buyer, the Government of the United States. Thus income continues to be insufficient to meet operating costs, with the result that the year showed a loss of \$177,695.00. As shown by the statements, this loss has been deducted from accumulated surplus.

Ottawa, June 26, 1962.

The Honourable Raymond O'Hurley,
Minister of Defence Production,
Ottawa.

Sir,

The accounts and financial statements of Canadian Commercial Corporation have been examined for the year ended March 31, 1962. In compliance with the requirements of section 87 of the Financial Administration Act, I now report that, in my opinion :

- (a) proper books of account have been kept by the Corporation;
- (b) the financial statements of the Corporation
 - (i) were prepared on a basis consistent with that of the preceding year and are in agreement with the books of account,
 - (ii) in the case of the balance sheet, give a true and fair view of the state of the Corporation's affairs as at the end of the financial year, and
 - (iii) in the case of the statement of income and expense, give a true and fair view of the income and expense of the Corporation for the financial year; and
- (c) the transactions of the Corporation that have come under my notice have been within the powers of the Corporation under the Financial Administration Act and any other Act applicable to the Corporation.

Yours faithfully,

A. M. HENDERSON
Auditor General of Canada.

CANADIAN COMM

(Established under the Canada

Balance Sheet

(with comparative fi

A S S E T S

1962

1961

GENER

Cash	\$ 6,069,506	\$ 3,983,995
Government of Canada Treasury Bills, at cost	2,742,191	3,863,171
Deposit with the Receiver General of Canada		250,000
Government of Canada Bonds, at par (market value \$175,028)	186,200	186,200
Advances and progress payments to suppliers on customers' projects	58,383,398	80,422,981
Accounts receivable	8,041,721	4,880,470
	<hr/>	<hr/>
	\$75,423,016	\$93,586,817
	<hr/>	<hr/>

AGEN

Cash	\$ 142,316	\$ 95,664
Security deposits by contractors — Government of Canada Bonds, at par		200,000
Advances and progress payments to suppliers	2,380,409	1,992,320
Accounts receivable	8,343	7,459
	<hr/>	<hr/>
	\$ 2,531,068	\$ 2,295,443
	<hr/>	<hr/>

Certified correct

(Sgd.) G. F. Wevill, Comptroller

Approved

(Sgd.) M.-H. Lamoureux, President

IAL CORPORATION

Commercial Corporation Act)

March 31, 1962

s at March 31, 1961)

LIABILITIES

	1962	1961
ACCOUNT		
Accounts payable	\$ 7,035,531	\$ 4,992,572
Advance payments by customers on projects in Canada	57,638,061	80,717,950
Reserve for U.S. exchange	114,655	65,490
Capital and Surplus		
Government of Canada — advance for working capital provided under Section 8 of the Canadian Commercial Corporation Act \$10,000,000		7,000,000
Surplus, per statement attached <u>634,769</u>		810,805
	<u>10,634,769</u>	
	<u>\$75,423,016</u>	<u>\$93,586,817</u>

ACCOUNT		
Accounts payable	\$ 24,258	\$ 24,049
Contractors' security deposits		225,972
Obligations to principals, representing advances from agencies of various governments and certain international bodies	2,506,810	2,045,422
	<u>\$ 2,531,068</u>	<u>\$ 2,295,443</u>

Certified in accordance with my report dated June 26, 1962, to the Minister of Defence Production under section 87 of the Financial Administration Act.

(Sgd.) A. M. HENDERSON

Auditor General of Canada

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expense for the year ended March 31, 1962

(with comparative figures for the year ended March 31, 1961)

	1962	1961
Income		
Purchase surcharge from various governments (including Canada) and international agencies	\$107,807	\$158,810
Interest earned	66,020	55,050
Exchange gain	61,751	50,788
Other income	6,323	4,932
	<hr/>	<hr/>
	\$241,901	\$269,580
 Expense		
Salaries and living allowances (including executive officers' salaries \$46,200)	331,131	282,734
Employees' welfare plans	22,953	19,277
Telephone, telegraph and postage	20,995	18,082
Rent	13,098	13,881
Travel	10,089	9,255
Printing, stationery and office supplies	6,360	6,582
Office furniture and equipment	3,244	7,485
Other administrative expenses	1,067	1,042
Freight adjustment (Ceylon)	9,000	—
	<hr/>	<hr/>
	417,937	358,338
 Net loss	<hr/> <hr/>	<hr/> <hr/>
	\$176,036	\$ 88,758

Statement of Surplus for the year ended March 31, 1962

Balance at beginning of year	\$810,805
Less : Net loss for the year, per Statement of Income and Expense	176,036
Balance at end of year	<hr/> <hr/>
	\$634,769

CORPORATION COMMERCIALE CANADIENNE

Etat des recettes et des dépenses pour l'année terminée le 31 mars 1962
(avec chiffres comparatifs pour l'année terminée le 31 mars 1961)

Recettes		1962	1961
Excédent du prix d'achat obtenu de divers gouvernements (y compris celui du Canada) et d'organismes internationaux	Intérêts gagnés	66,020	55,050
	Recettes découlant du cours des devises	61,751	50,788
	Autres recettes	6,323	4,932
		<hr/>	<hr/>
		\$107,807	\$158,810
Dépenses	Traitements et allocations de subsistance (y compris la rémunération des fonctionnaires administratifs, \$46,200)	331,131	282,734
	Régime de bien-être des employés	22,953	19,277
	Téléphone, télégrammes et affranchissement	20,995	18,082
	Loyers	13,098	13,881
	Voyages	10,089	9,255
	Impressions, papeterie et fournitures de bureau	6,360	6,582
	Mobilier et matériel de bureau	3,244	7,485
	Autres dépenses administratives	1,067	1,042
	Rajustement — frais de transport (Ceylan)	9,000	—
		<hr/>	<hr/>
Déficit net		\$176,036	\$ 88,758
		<hr/>	<hr/>
Etat de surplus pour l'année close le 31 mars 1962			
Solde au début de l'année			\$810,805
Moins: Déficit net de l'année, indiqué à l'état des recettes et des dépenses			176,036
Solde à la fin de l'année			<hr/> <hr/> \$634,769

CIALE CANADIENNE

Corporation commerciale canadienne)

mars 1962

atifs au 31 mars 1961)

P A S S I F

1962 1961

GENERAL

		Dettes passives
\$ 7,035,531	\$ 4,992,572	Paievements anticipés par des clients à compte de commandes au Canada
57,638,061	80,717,950	Réserve pour change des Etats-Unis
114,655	65,490	Capital et surplus :
		Gouvernement du Canada — avance de capitaux d'exploitation sous le régime de l'article 8 de la Loi sur la Corporation commerciale canadienne \$10,000,000
		Surplus, conformément à l'état ci-joint
634,769	810,805	
10,634,769		

\$75,423,016	\$93,586,817	
		Dettes passives
\$ 24,258	\$ 24,049	.....
	225,972	Valeurs déposées par des entrepreneurs
		Obligations envers des mandants, au titre d'avances reçues d'agences de divers gouvernements et de certains organismes internationaux
2,506,810	2,045,422	
\$ 2,531,068	\$ 2,295,443	

Certifié conforme à mon rapport du 26 juin 1962 au ministre de la Production de défense sous le régime de l'article 87 de la Loi sur l'administration financière.

L'Auditeur général du Canada

(signature) A. M. HENDERSON

(avec chiffres comparés)

Bilan au 31

(Établie sous le régime de la Loi sur

CORPORATION COMMERCIALE

COMPTES

En caisse \$ 6,069,506 \$ 3,983,995

Bons du Trésor du Canada, au prix coûtant 2,742,191 3,863,171

En dépôt chez le Receveur général du Canada Obligations du gouvernement du Canada, au pair (marché courant \$175,028) 186,200 186,200

Avances et paiements provisionnels à des fournisseurs, à compte de commandes reçues de clients 58,383,398 80,422,981

Dettes actives 8,041,721 4,880,470

\$75,423,016 \$93,586,817

COMPTES

En caisse \$ 142,316 \$ 95,664

Valeurs déposées par entrepreneurs — Obligations du gouvernement du Canada, au pair 200,000

Avances et paiements provisionnels à des fournisseurs 2,380,409 1,992,320

Dettes actives 8,343 7,459

\$ 2,531,068 \$ 2,295,443

Certifié exact

Le contrôleur

(signature) G. F. WEVILL

Le président

(signature) M.-H. LAMOUREUX

Approuvé

Ottawa, le 26 juin 1962

L'honorable Raymond O'Hurley

Ministre de la Production de défense

Ottawa

Monsieur le Ministre,

Les comptes et les états financiers de la Corporation commerciale canadienne pour l'année financière terminée le 31 mars 1962 ont été examinés. Ainsi que l'exige l'article 87 de la Loi sur l'administration financière, je déclare que, à mon avis,

a) la Corporation a tenu les livres de comptabilité appropriés

b) les états financiers de la Corporation

(i) ont été préparés sur une base compatible avec celle de l'année précédente et sont conformes aux livres de comptabilité,

(ii) dans le cas du bilan, présentent de façon exacte et fidèle la situation de la Corporation pendant l'année financière, et

(iii) dans le cas de l'état des recettes et des dépenses, donnent une idée exacte et fidèle des recettes et des dépenses de la Corporation pendant l'année financière, et

c) les opérations de la Corporation qui sont venues à ma connaissance étaient dans les limites de la compétence que lui accordent la Loi sur l'administration financière et toute autre loi applicable à la Corporation. Veuillez agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

L'auditeur général

(Signature) A. M. HENDERSON

La Corporation a obtenu de l'Office national du film pour le compte de la Société de météorologie des Etats-Unis des services de recherches, de montage et de rédaction de textes, évalués à \$5,500 à l'égard d'un film sur la météorologie. La Corporation a acheté du ministère des Transports un enregistreur radio-sonde de \$580 pour la Standard Electric S.A.R.L. du Portugal.

DÉMISSION D'UN MEMBRE DU CONSEIL

Les membres du conseil d'administration, les dirigeants et le personnel de la Corporation ont appris avec regret la démission, à compter du 31 mars 1962, de M. Finlay Sim, haut fonctionnaire du ministère du Commerce, qui est allé occuper le poste de délégué commercial du Canada à Glasgow (Ecosse). M. Sim, qui était membre du conseil d'administration depuis 1953, a rendu de précieux services à la Corporation.

PERSONNEL

Le 31 mars 1962, la Corporation avait à son service 69 personnes, y compris tout le personnel directeur et administratif du siège social à Ottawa (Canada) et de la succursale de Washington (D.C.). Le conseil d'administration tient à les remercier de leur fidélité au devoir et de leur bon travail. Il désire aussi exprimer sa vive appréciation des services rendus par le personnel du ministère de la Production de défense, de la Defence Construction (1951) Limited et d'autres ministères et organismes du gouvernement.

ETAT FINANCIER

Vous trouverez aux pages qui suivent le bilan de la Corporation arrêté au 31 mars 1962 et l'état des recettes et des dépenses pour l'année financière terminée à la même date, dûment certifiées et approuvées, ainsi que le rapport de l'Auditeur général.

La Corporation a pour principe de n'exiger aucuns frais d'administration ni honoraires à l'égard de ses achats pour le compte de gouvernements alliés qui rendent des services de même nature au Canada, ou encore qui ont conclu avec notre pays des accords de défense du genre de ceux qui existent dans les cadres de l'OTAN. Ces gouvernements comprennent le principal client de la Corporation, le gouvernement des Etats-Unis. Ainsi, les recettes demeurent insuffisantes pour acquitter les frais courants et les opérations de l'année se sont soldées par un déficit de \$177,695. Comme l'indiquent les états ci-joints, cette perte a été réduite du surplus accumulé.

Les achats de farine, de blé, de vaccins, de colis de ration, de matelas, d'ensembles et de pièces d'ensembles d'instruments de navigation pour véhicule et du matériel de défense effectués au Canada, à l'intention de l'Armature et des ministères de la Guerre, de l'Aviation, de la Santé et des Approvisionnements de la Grande-Bretagne ont représenté \$1,114,000 au regard de \$2,394,000 l'année précédente.

PLAN DE COLOMBO ET AUTRES FORMES D'AIDE EXTERIEURE

Les contrats conclus au nom du Bureau de l'aide extérieure du chef des contributions du Canada au Plan de Colombo et aux autres programmes d'aide extérieure en faveur des Antilles, de la Birmanie, de Ceylan, de la Guyane et du Honduras britanniques, de l'Inde, de l'Indonésie, de la Malaisie, du Pakistan et du Sud Viet-nam ainsi que du programme spécial d'aide aux pays africains du Commonwealth, se sont établis à \$15,890,000, en comparaison de \$13,756,000 l'année précédente. Ces contrats ont visé du matériel et des services de génie pour les installations hydro-électriques, des centrales génératrices, des lignes de transmission, des écoles et ateliers de formation technique et professionnelle et d'enseignement de la pêche maritime, des jeeps, des automobiles, des camions avec pièces de rechange, des embarcations turbopropulsées, du matériel radio-téléscripteur de transmission de données météorologiques, du câble, du matériel de téléphonie, des engrais chimiques, de la pâte de bois, du papier journal, du papier d'édition blanc, de la farine et des levés techniques et des levés photographiques aériens. Les dépenses au cours de l'année se sont établies à \$12,314,500.

L'ORGANISATION DES NATIONS UNIES ET SES INSTITUTIONS

La Corporation a conclu des contrats de l'ordre de \$129,000 pour le compte des Nations Unies et de ses institutions, au regard de \$91,700 l'année précédente. Ces achats ont compris des fournitures hospitalières, des comprimés à beurre, des appareils électriques, des pompes, du ciment et du matériel de jardin.

AUTRES GOUVERNEMENTS

Les achats effectués au nom de l'Afrique du Sud, de l'Allemagne, des Antilles, de l'Argentine, de l'Australie, de la Belgique, de la France, du Ghana, de la Hollande, de l'Inde, de l'Italie, du Mozambique, de la Norvège, de la Nouvelle-Zélande, du Pakistan, de la Rhodésie du Sud et de la Suède ont atteint \$5,679,000, comparativement à \$5,146,000 l'année précédente.

ACTIVITES DIVERSES

Suivent quelques-unes des opérations diverses de la Corporation.

A la demande du ministère des Affaires extérieures, la Corporation a acheté, au coût d'environ un million et demi de dollars, 15,825 tonnes de farine canadienne, don du gouvernement du Canada à l'Office de secours et de travaux des Nations Unies au Liban et en Egypte.

Au cours de l'année, des services d'une valeur de \$47,000 ont été fournis à l'égard du poste projeté de guidage de satellites "Minitrack" et un contrat de \$15,000 a été accordé à l'égard des plans et de la fabrication d'un prototype d'antenne escamotable.

ORGANISATION AMÉRICAINE DE RECHERCHES AÉRONAUTIQUES ET SPATIALES

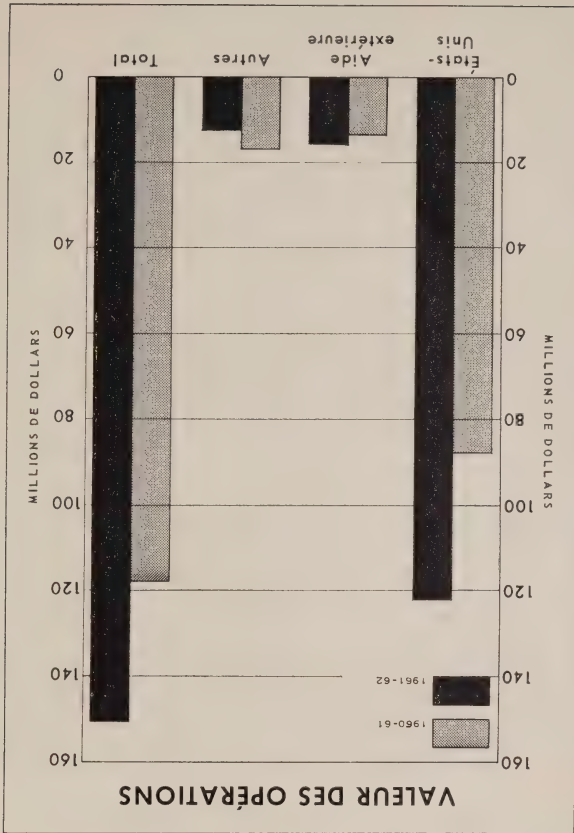
La Corporation a continué d'aider le ministère de la Production de défense dans l'application du programme canado-américain de partage de la production de défense. Par suite de ce programme, le nombre des demandes de renseignements reçues des départements militaires des États-Unis a été de 6,341, au regard de 3,794 l'année précédente. Les contrats qui résultent de cette activité sont conclus par les départements militaires américains avec la Corporation de la façon habituelle et sont donc compris dans les chiffres qui précèdent.

De la valeur globale des nouvelles commandes reçues par la Corporation, soit, comme il est indiqué plus haut, \$150,387,000, la somme de \$121,975,000 représente des contrats conclus avec des départements militaires des États-Unis, au regard de \$87,661,000 l'année précédente. Ces contrats ont visé des produits chimiques, des métaux, des dérivés du pétrole, des avions et des pièces d'avions, des câbles de retenue d'avions, des pièces de moteurs d'avions, des éléments de sièges éjectables, du matériel de navigation aéroporté, la modification et la remise en état de moteurs d'avions, des services et des renseignements d'ordre technique à l'égard d'avions, des projets de recherches et de mise au point du cobalt 60, de la nitroguanidine, des porte-charges, des cartouches et des chargeurs de cartouches, des canons de fusils et des garde-fous, des soupapes, des pièces de forge tubulaires, des voitures à chenilles, des traîneaux et des pièces de traîneaux pour l'Arctique, l'emballage et le transport d'articles de ménage, des fraiseuses, des machines à rainer et à biseauter, des condensateurs de vapeurs et des dispositifs pour l'éjection de l'air, des appareils et des pièces d'appareils de radar, des radomes, du matériel téléphonique et radiophonique, des hélices de bateaux, la réparation et la modification de navires au Canada, des tables de repérage d'avions, des obus et des câbles de lance-projectiles sous-marins, des services pour la fabrication d'une machine à fins multiples pour le développement de films, du matériel et des pièces de matériel électronique, des appareils de communication électroniques, y compris du matériel et des services destinés à la ligne canado-américaine de radar "Pinetree" et le transport d'approvisionnement à certains points de la ligne DEW.

DÉPARTEMENTS MILITAIRES DES ÉTATS-UNIS

Après un rajustement qui a réduit de \$2,337,000 le volume des affaires confiées à la Corporation au cours des années antérieures, le total des affaires gérées le 31 mars 1962 était de \$105,367,000. Ce montant représentait la valeur des marchandises, denrées et services non encore livrés et des entreprises inachevées. Le chiffre correspondant de l'année précédente était de \$64,712,000.

Les livraisons effectuées et les travaux terminés au cours de l'année se sont établis, d'après les factures que la Corporation a reçues des fournisseurs, à \$107,395,000, au regard de \$101,996,000 l'année précédente.



VALEUR DES OPÉRATIONS

La valeur globale des contrats passés et des commandes reçues par la Corporation au cours de l'année financière, à l'égard d'approvisionnements, de services et de travaux, a été de \$150,387,000, comparativement à \$118,252,000 l'année précédente. Le tableau ci-dessous présente un état comparatif pour les deux dernières années financières.

La Corporation exerce un contrôle financier à l'égard de toutes les opérations. Les fournisseurs canadiens ne touchent leurs paiements qu'après avoir obtenu un certificat approprié et toutes les factures définitives des fournisseurs doivent être accompagnées de preuves de l'acceptation et de la livraison des approvisionnements. Lorsqu'elle le juge à propos, la Corporation voit aussi à une vérification des comptes du fournisseur par des fonctionnaires du gouvernement.

des fournisseurs canadiens après un examen par le Ministère de leurs installations et de leur capacité de production. La Corporation est toujours prête à s'entendre avec les services du gouvernement canadien afin qu'ils se chargent de la surveillance du modèle et de la qualité, ainsi que de l'inspection et de l'acceptation des produits au nom du gouvernement ou de l'organisme destinataire si celui-ci en exprime le désir.

RAPPORT DE LA

CORPORATION COMMERCIALE CANADIENNE

sur l'activité de l'année financière close le 31 mars 1962

PRINCIPAUX CHEFS D'ACTIVITÉ

1. La Corporation a acheté au Canada pour le compte de gouvernements étrangers des marchandises, denrées et approvisionnements destinés à la défense et les a expédiés à leurs destinations respectives. Elle s'est engagée à acheter du matériel de défense au nom des départements militaires des États-Unis, de l'Armateur, du ministère de la Guerre, du ministère de l'Aviation, du ministère de la Santé et du ministère des Approvisionnements de la Grande-Bretagne, ainsi que pour les gouvernements des pays énumérés ci-après :

Afrique du Sud	France	Norvège
Allemagne	Ghana	Nouvelle-Zélande
Antilles	Hollande	Pakistan
Argentine	Inde	Rhodésie du Sud
Australie	Italie	Suède
Belgique	Mozambique	

2. Au cours de l'année, la Corporation a acheté des biens et des services et adjugé des contrats au nom du Bureau de l'aide extérieure, ministère des Affaires extérieures, relativement à divers projets compris dans la participation du Canada au Plan de Colombo et à d'autres programmes d'aide étrangère. Elle a également vu à l'expédition aux pays destinataires des objets ainsi obtenus.

3. La Corporation a acheté des marchandises et des produits au Canada pour le compte des Nations Unies et de ses institutions.

4. La Corporation a fait au cours de l'année divers achats afin d'aider des entreprises canadiennes et étrangères qui n'avaient pas accès aux voies ordinaires du commerce.

FONCTIONNEMENT

Lorsqu'elle entreprend d'exporter ou d'importer des marchandises ou des services au nom de gouvernements ou d'organismes, la Corporation commerciale canadienne fait, dans certains cas, fonction d'agent du gouvernement ou de l'organisme en cause. Dans d'autres, elle achète et vend pour son propre compte en qualité de mandant.

Dans la plupart des cas, la Corporation utilise les services d'achat du ministère de la Production de défense ou, lorsqu'il s'agit de contrats de construction, ceux de la Defence Construction (1951) Limited, société de la Couronne qui relève du ministère de la Production de défense. C'est à ce ministère ou à cette société de la Couronne, selon le cas, que sont confiées la plupart des demandes de renseignements et la conclusion des marchés, une fois que la Corporation a réglé tous les détails avec le gouvernement ou l'organisme destinataire.

La Corporation offre au gouvernement ou à l'organisme en cause les pratiques, les formalités et les principes d'achat du ministère de la Production de défense qui comprennent une étude de toutes les soumissions et propositions présentées par

CORPORATION COMMERCIALE CANADIENNE
OTTAWA (CANADA)

Le 27 juin 1962.

L'honorable Raymond O'Hurley
Ministre de la Production de défense
Ottawa (Ontario)

Monsieur le Ministre,

J'ai l'honneur de vous présenter, conformément à l'article 13 (1) de la Loi de 1946 sur la Corporation commerciale canadienne, le rapport de la Corporation commerciale canadienne, ainsi que son bilan et son état des recettes et des dépenses, vérifiés par l'Auditeur général du Canada, pour l'année close le 31 mars 1962.

Veillez agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

Le président

(signature) M.-H. LAMOURREUX

est resté dévolu jusqu'à l'établissement du ministère de la Production de défense, le 1^{er} avril 1951, à la suite de l'ouverture des hostilités en Corée.

Cependant, la Corporation a conservé toutes ses autres fonctions dont une des plus importantes est l'acquisition au Canada des approvisionnements requis par les départements militaires des États-Unis, à titre de contribution au programme de défense commune des deux pays. Cette tâche demeure l'une des principales de la Corporation et, le 31 mars 1962, la valeur globale des contrats passés au Canada pour le compte de ces départements américains dépassait 1,026 millions de dollars.

En 1952, la Corporation a accepté la tâche d'acheter et d'expédier toutes les marchandises et tout le matériel fournis par le Canada dans les cadres du Plan de Colombo. La Corporation continue cette activité au nom du Bureau de l'aide extérieure.

En outre, la Corporation a, à l'occasion, fait de nombreuses importations et exportations pour le compte de divers ministères et organismes du gouvernement canadien ou de maisons d'affaires qui n'arrivaient pas à obtenir leurs approvisionnements ou à vendre leurs produits par les voies ordinaires du commerce. La valeur globale des marchés conclus par la Corporation depuis son établissement jusqu'au 31 mars 1962, y compris des contrats d'une valeur globale de \$1,136,000,000 passés pour le compte du ministère de la Défense nationale avant le 1^{er} avril 1951, est de \$2,983,977,000.

Grâce à l'expérience qu'elle a acquise depuis 1946 dans l'achat, le financement et l'expédition d'une variété incroyable de produits, la Corporation est dans une situation incomparable pour servir le gouvernement et l'industrie.

La Corporation commerciale canadienne a été établie en 1946, aux termes d'une loi du Parlement du Canada, comme société de la Couronne appartenant entièrement au gouvernement du Canada.

FONCTIONS

La Corporation rend compte de son administration au ministre de la Production de défense.

Son rôle principal est de permettre aux pays étrangers de traiter de gouvernement à gouvernement, au lieu de s'adresser aux fabricants individuels, pour l'achat d'approvisionnement de défense au Canada. La Corporation se charge d'acheter les produits requis de l'industrie canadienne au nom des pays en cause.

Une autre importante fonction de la Corporation consiste à acheter des fabricants et des fournisseurs canadiens les biens, le matériel et les installations que le gouvernement du Canada fournit à des pays étrangers sous le régime du Plan de Colombo et d'autres programmes d'aide extérieure.

Les autres tâches remplies par la Corporation sont indiquées dans ses rapports annuels.

HISTORIQUE

Ainsi que le prévoyait la Loi sur la Corporation commerciale canadienne, la Corporation a assumé en 1946 toutes les fonctions de l'ancienne Commission canadienne d'exportation qui, alors, s'occupait d'effectuer au Canada des achats pour le compte de divers gouvernements étrangers et de l'Administration de secours et de rétablissement des Nations Unies (UNRRA). Tout en continuant ce travail, elle s'est chargée d'acheter les articles nécessaires à la contribution du Canada à divers autres programmes et organismes de secours qui ont pris naissance après la guerre, dont le programme canadien de secours postérieur à l'UNRRA, le Fonds international des Nations Unies pour le secours à l'enfance et l'Office de secours des Nations Unies pour les réfugiés de Palestine.

Par l'arrêté en conseil C.P. 314, du 5 février 1947, la Corporation a reçu, en même temps que le personnel nécessaire, les pouvoirs, devoirs et fonctions du ministre de la Reconstruction et des Approvisionnements pour l'achat des produits et services requis par le ministère de la Défense nationale. Ce nouveau rôle lui

CORPORATION COMMERCIALE CANADIENNE

Société appartenant entièrement au gouvernement du Canada
Établie par la Loi sur la Corporation commerciale canadienne, chapitre 40,
modifié des Statuts du Canada 1946, 10 George VI

PRÉSIDENT DU CONSEIL D'ADMINISTRATION

M. M.-H. LAMOURÉUX

ADMINISTRATEURS

M. D. M. ERSKINE

M. G. W. HUNTER

Directeur, Direction générale des achats

Sous-ministre adjoint

Ministère de la Production de défense

Ministère de la Production de défense

M. W. H. HUCK

M. R. G. JOHNSON

Sous-ministre adjoint

Ministère de la Production de défense

Defence Construction (1951) Ltd.

M. FINLAY SIM

Contrôleur-secrétaire

Ministère du Commerce

DIRECTEURS

M. M.-H. LAMOURÉUX

Président et directeur général

M. W. R. HARRIS

Directeur général adjoint

Secrétaire et conseiller

juridique

SIÈGE SOCIAL

Edifice temporaire n° 4

56, rue Lyon

Ottawa (Ontario)

SUCCURSALE

2450 Massachusetts Ave.

Washington (D.C.)

Rapport Annuel 1961-62



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Publications



Annual Report 1962-63

CANADIAN COMMERCIAL CORPORATION

CANADIAN COMMERCIAL CORPORATION

No. 4 Temporary Building, 56 Lyon Street, Ottawa.

Wholly owned by the Government of Canada

CHAIRMAN OF THE BOARD

M.-H. LAMOUREUX

DIRECTORS

H. T. AITKEN,
President,
Export Credits Insurance Corporation

W. H. HUCK,
Assistant Deputy Minister,
Department of Defence Production

D. M. ERSKINE,
Director,
General Purchasing Branch,
Department of Defence Production

R. G. JOHNSON,
President,
Defence Construction (1951) Limited

D. B. MUNDY,
Assistant Deputy Minister,
Department of Defence Production

OFFICERS

M.-H. LAMOUREUX,
President and General Manager

F. F. WADDELL,
Secretary and Legal Adviser

COL. B. LAKE,
Manager, Requirements Division

G. F. WEVILL,
Comptroller

J. P. STIRLING,
Manager, Foreign Projects Division

D. C. THOM,
Executive Assistant to the President

J. J. TEVLIN,
Manager, Administration Division

BRANCH OFFICE

2450 Massachusetts Avenue,
Washington, D.C.

P R E S I D E N T ' S L E T T E R

June 28, 1963

Honourable C. M. Drury,
Minister of Defence Production,
Ottawa

Sir :

On behalf of the Board of Directors and in accordance with Section 13(1) of the Canadian Commercial Corporation Act 1946, I have the honour to submit herewith the Annual Report of the Corporation, together with the Balance Sheet and Statement of Income and Expenditure as audited by the Auditor General of Canada covering the year ended March 31, 1963.

Business Volume

This past year has seen a continued rise in the volume of business transacted by the Corporation. Some 9,500 enquiries were received from governments of other countries and from the External Aid Office. The total value of supplies and services called for in contracts and requisitions received by the Corporation during the year amounted to \$194,900,000 as compared with \$150,387,000 in the previous year. Contracts with departments and agencies of the Government of the United States amounted to \$164,200,000 or slightly over 84% of the total. Contracts with the governments of other countries totalled \$9,200,000 and requisitions received from the External Aid Office totalled \$21,500,000.

The value of deliveries made and work completed during the year as reflected in suppliers' invoices received by the Corporation totalled \$152,600,000 as compared with \$107,395,000 in the previous year.

The equipment and services called for in the foregoing reflect the wide range of products available from Canadian manufacturers and suppliers. They include electronic communications and navigation systems, aircraft and aircraft engines, flight simulators, rocket propellents and a large number of general supply items. External Aid Office requirements included equipment for such projects as power plants, generating stations and transmission lines. Commodities such as flour, newsprint and fertilizer were also purchased as a part of these External Aid requirements.

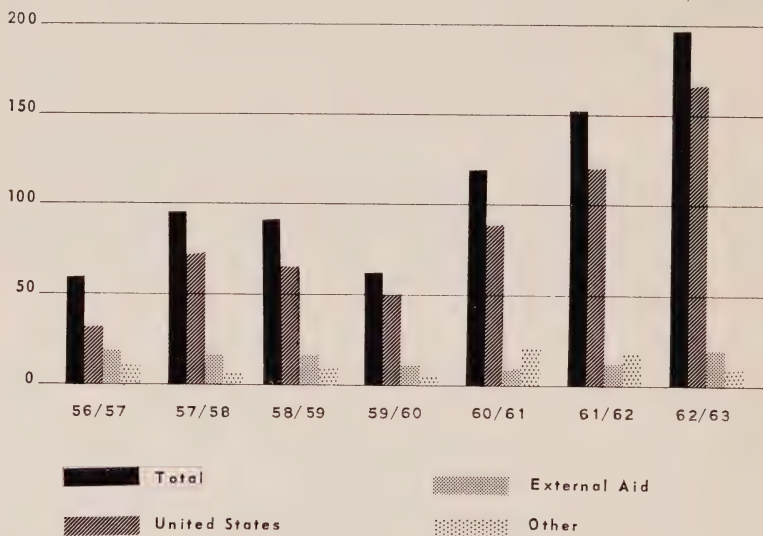
The Corporation has recently completed arrangements whereby it will process NATO International Competitive Bids for infrastructure requirements. This will result in all such invitations to bid being processed through a central government agency.

Accounts

It is the policy of the Corporation not to collect any administrative surcharge or fee for purchasing services from those allied governments which render similar services to Canada or which have entered into international defence arrangements with Canada such as exist under NATO.

CANADIAN COMMERCIAL CORPORATION

Business volume in million dollars



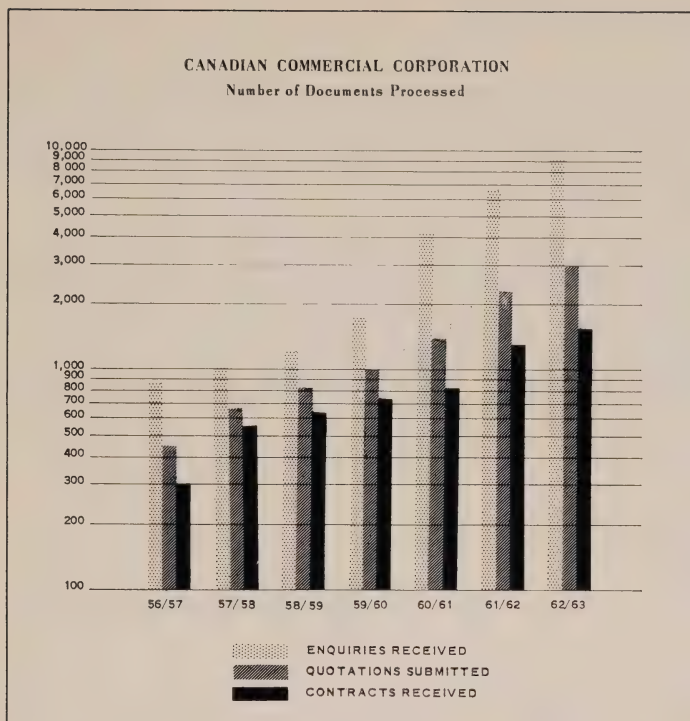
Although the waiving of surcharge has facilitated the expansion of export business obtained by Canadian suppliers during recent years, it has deprived the Corporation of income sufficient to meet its expenses. Consequently, the Corporation has incurred losses each year since 1959-60. These losses have been deducted from the accumulated surplus earned in previous years.

For 1962-63 the excess of expenses over income was \$235,592 and after deducting this amount the surplus remaining at March 31, 1963 totalled \$399,177.

Appointment of Directors

Two new members were appointed to the Board during the year : Mr. Hugh T. Aitken, President, Export Credits Insurance Corporation, and Mr. David B. Mundy, Assistant Deputy Minister, Department of Defence Production. These appointments filled the vacancies caused by the resignation of Mr. Finlay Sim, Comptroller-Secretary, Department of Trade and Commerce, who has moved to Glasgow, Scotland, as Trade Commissioner for Canada and the resignation of Mr. Gordon W. Hunter on his appointment as Deputy Minister, Department of Defence Production.

Mr. Hunter was appointed to the Board of Directors in 1951 and Mr. Sim was appointed in 1953. During the years that they served on the Board both men rendered outstanding services to the Corporation.



Reorganization

A reorganization and strengthening of the staff of the Corporation was undertaken during the year with a view to improving the services rendered on export contracts. The reorganization involved the re-grouping of some of the existing units in the Corporation and the establishment of a number of new units to form three new divisions. These divisions are responsible for sourcing and processing enquiries received from other governments, planning and co-ordinating purchasing for major construction projects on behalf of the External Aid Office, and providing various support services for the Corporation.

The personnel of the three divisions includes the previously existing staff of the Corporation, augmented by the transfer of engineers and experienced purchasing personnel from the Department of Defence Production and Defence Construction (1951) Limited.

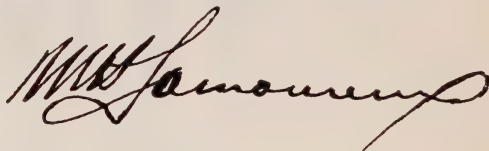
The combination of the experience and training of these men, the close association of the Corporation with the Department of Defence Production, and the experience of the Corporation since 1946 in purchasing, financing and shipping an extremely wide variety of products, makes available complete services to Canadian industry and those governments of other countries who wish to contract through the Corporation for Canadian products.

Staff

The staff of the Corporation, on March 31, 1963, totalled 81 persons, including executive officers and administrative personnel at its head office in Ottawa, Canada, and 5 persons at its office in Washington, D.C. In addition, there are 21 persons on loan from the Department of Defence Production and 10 persons on loan from Defence Construction (1951) Limited who are working full time with the Corporation.

The Board of Directors sincerely appreciates the loyal and efficient manner in which the officers and staff has served the Corporation during the year. During the period of reorganization there were inevitable disruptions in routine which, at times, imposed an unusually heavy workload on the staff. The fine co-operation by all concerned was gratifying. The Board also appreciates the assistance rendered to the Corporation by the staffs of the Department of Defence Production, Defence Construction (1951) Limited, and other government departments and agencies.

For the Directors,

A handwritten signature in dark ink, appearing to read 'M.-H. Lamoureux', with a stylized, flowing script.

M.-H. Lamoureux,
President

Ottawa, June 20, 1963.

The Honourable C. M. Drury,
Minister of Defence Production,
O t t a w a .

Sir,

I have examined the accounts and financial statements of Canadian Commercial Corporation for the year ended March 31, 1963. In compliance with the requirements of section 87 of the Financial Administration Act I report that, in my opinion :

- (a) proper books of account have been kept by the Corporation ;
- (b) the financial statements of the Corporation
 - (i) were prepared on a basis consistent with that of the preceding year and are in agreement with the books of account,
 - (ii) in the case of the balance sheet, give a true and fair view of the state of the Corporation's affairs as at the end of the financial year, and
 - (iii) in the case of the statement of income and expense, give a true and fair view of the income and expense of the Corporation for the financial year ; and
- (c) the transactions of the Corporation that have come under my notice have been within the powers of the Corporation under the Financial Administration Act and any other Act applicable to the Corporation.

Yours faithfully,

(Sgd.) A. M. HENDERSON
Auditor General of Canada.

CANADIAN COMMERCE

(Established under the Canada Companies Act)

Balance Sheet

(with comparative figures for 1962)

A S S E T S

	1963	1962
Cash	\$ 4,549,675	\$ 6,069,506
Government of Canada Treasury Bills, at cost	2,645,371	2,742,191
Government of Canada Bonds, at par (market value \$172,468 at March 31, 1963)	186,200	186,200
Advances and progress payments to suppliers on customers' projects	76,876,884	58,383,398
Accounts receivable	11,309,384	8,041,721
	<u>\$95,567,514</u>	<u>\$75,423,016</u>

AGENCY

Cash	\$ 185,945	\$ 142,316
Advances and progress payments to suppliers	3,161,458	2,380,409
Accounts receivable	30,698	8,343
	<u>\$ 3,378,101</u>	<u>\$ 2,531,068</u>

Certified correct

(Sgd.) G. F. Wevill, Comptroller

Approved

(Sgd.) M.-H. Lamoureux, President

IAL CORPORATION

Commercial Corporation Act)

31 March, 1963

at 31 March, 1962)

LIABILITIES

ACCOUNT

	1963	1962
Accounts payable	\$10,960,712	\$ 7,035,531
Advance payments by customers on projects in Canada	74,559,446	57,638,061
Reserve for U.S. exchange	148,179	114,655
Capital and Surplus		
Government of Canada — advance for working capital provided under Section 8 of the Canadian Commercial Corporation Act	\$9,500,000	10,000,000
Surplus, per statement attached	399,177	634,769
	<u>9,899,177</u>	
	<u>\$95,567,514</u>	<u>\$75,423,016</u>

ACCOUNT

Accounts payable	\$ 111,677	\$ 24,258
Obligations to principals, representing advances from agencies of various governments and certain international bodies	3,266,424	2,506,810
	<u>\$ 3,378,101</u>	<u>\$ 2,531,068</u>

I have examined the above Balance Sheet and the related Statement of Income and Expense and have reported thereon under date of June 20, 1963, to the Minister of Defence Production.

(Sgd.) A. M. HENDERSON
Auditor General of Canada

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expense for the year ended March 31, 1963 (with comparative figures for the year ended March 31, 1962)

Income

	1963	1962
Purchase surcharge from various governments (including Canada) and international agencies	\$127,079	\$107,807
Interest earned	119,055	66,020
Exchange gain	8,675	61,751
Other income	878	6,323
	<hr/>	<hr/>
	\$255,687	\$241,901

Expense

Salaries and living allowances (including executive officers' salaries \$46,933)	380,901	331,131
Employees' welfare plans	20,324	22,953
Telephone, telegraph and postage	24,236	20,995
Rent and improvements to leased premises	19,730	13,098
Travel	18,218	10,089
Office furniture and equipment	17,518	3,244
Printing, stationery and office supplies	8,937	6,360
Freight adjustment re Ceylon	—	9,000
Other expense	1,415	1,067
	<hr/>	<hr/>
	491,279	417,937
Net loss	<hr/> <hr/>	<hr/> <hr/>
	\$235,592	\$176,036

Statement of Surplus for the year ended March 31, 1963

Balance at beginning of year	\$634,769
Less : Net loss for the year, per Statement of Income and Expense	235,592
	<hr/>
Balance at end of year	\$399,177
	<hr/> <hr/>

FUNCTIONS

The principal purpose of the Corporation is to enable other governments, if they so wish, to purchase defence supplies in Canada on a government-to-government basis rather than directly from Canadian manufacturers. In these transactions the Corporation purchases the required supplies from Canadian industry for the requisitioning country.

Such government-to-government purchasing makes available the Corporation's staff which, working closely with the staff of the Department of Defence Production, directs enquiries to appropriate Canadian suppliers, evaluates bids and proposals submitted in response to such enquiries, and assesses suppliers' plants, facilities and capabilities. Administration of contracts is carried out by officers of the Department of Defence Production on behalf of the Corporation in accordance with the established practices, procedures and policies of that Department. If desired, the Corporation is prepared to arrange for design and quality control, inspection and acceptance of the supplies by agencies of the Government of Canada on behalf of the recipient government.

The Corporation maintains financial control of all transactions. Payments to Canadian suppliers are made only after proper certification and all final billings from suppliers are required to be supported by proof of acceptance and delivery of the supplies. The Corporation also arranges for Government audits of the accounts of suppliers in appropriate cases.

Another important function of the Corporation is to purchase from Canadian manufacturers and suppliers goods, equipment and facilities which the Government of Canada contributes under the Colombo Plan and other aid programs.

While importing activities are a small proportion of the business volume of the Corporation, it does, at times, undertake such transactions at the request of government departments and manufacturers.

Le principal rôle de la Corporation est de permettre aux pays étrangers qui le désirent de traiter de gouvernement à gouvernement, au lieu de s'adresser aux fabricants individuels, pour l'achat d'approvisionnement de défense au Canada. La Corporation se charge d'acheter de l'industrie canadienne au nom des pays en cause les produits requis.

Ce régime d'achats directs de gouvernement à gouvernement permet de mettre à la disposition des acheteurs étrangers le personnel de la Corporation qui, travaillant en étroite collaboration avec les fonctionnaires du ministère de la Production de défense, transmet les demandes de renseignements aux fournisseurs canadiens appropriés, étudie les soumissions et les propositions présentées, en réponse à ces demandes et fait l'examen des usines, des installations et de la capacité technique des fournisseurs. Des fonctionnaires du ministère de la Production de défense se chargent de l'administration des contrats au nom de la Corporation selon les pratiques, les méthodes et les principes du Ministère. La Corporation est toujours prête à prendre des dispositions afin d'assurer le contrôle du modèle et de la qualité, ainsi que de l'inspection et de l'acceptation des produits par un organisme du gouvernement canadien au nom du gouvernement destinataire, si celui-ci en exprime le désir.

La Corporation exerce un contrôle financier sur toutes les opérations. Les fournisseurs canadiens ne touchent leurs paiements qu'après avoir obtenu un certificat approprié et toutes les factures définitives des fournisseurs doivent être accompagnées de preuves de l'acceptation et de la livraison des approvisionnements. Lorsqu'elle le juge à propos, la Corporation voit aussi à une vérification des comptes du fournisseur par des fonctionnaires du gouvernement.

Une autre importante fonction de la Corporation consiste à acheter des fabricants et des fournisseurs canadiens les biens, le matériel et les installations que le gouvernement du Canada fournit à des pays étrangers sous le régime du Plan Colombo et d'autres programmes d'aide extérieure.

Bien que les importations ne représentent qu'une faible proportion du volume d'affaires de la Corporation, celle-ci effectue parfois des achats à l'étranger à la demande de ministères du gouvernement et de fabricants.

CORPORATION COMMERCIALE CANADIENNE

Etat des recettes et des dépenses pour l'année terminée le 31 mars 1963
(avec chiffres comparatifs pour l'année terminée le 31 mars 1962)

Recettes		Dépenses	
1962	1963		
		Excédent du prix d'achat obtenu de divers gouvernements (y compris celui du Canada) et d'organismes internationaux	\$127,079
\$107,807	66,020	Intérêts gagnés	119,055
61,751	8,675	Recettes découlant du cours des devises	878
6,323		Autres recettes	
		Traitements et allocations de subsistance (y compris la rémunération des fonctionnaires administratifs, \$46,933)	380,901
331,131	22,953	Régime de bien-être des employés	20,324
20,995	24,236	Téléphone, télégrammes et affranchissement	19,730
13,098	18,218	Loyers et amélioration de logements loués	17,518
10,089	8,937	Mobilier et matériel de bureau	—
3,244	1,415	Impressions, papeterie et fournitures de bureau	—
6,360		Rectification — frais de transport (Ceylan)	1,415
9,000		Autres dépenses	491,279
1,067			
417,937			
\$176,036	\$235,592	Déficit net	\$176,036

Etat de surplus pour l'année close le 31 mars 1963

Solde au début de l'année	\$634,769
Moins : Déficit net de l'année, indiqué à l'état des recettes et des dépenses	235,592
Solde à la fin de l'année	\$399,177

P A S S I F

NÉRAL

	1963	1962
Dettes passives	\$10,960,712	\$ 7,035,531
Paiements anticipés par des clients à compte de commandes au Canada	74,559,446	57,638,061
Réserve pour change des États-Unis	148,179	114,655
Capital et surplus :		
Gouvernement du Canada — avance de capitaux d'exploitation sous le régime de l'article 8 de la Loi sur la Corporation commerciale canadienne		10,000,000
Surplus, conformément à l'état ci-joint	399,177	634,769
	9,899,177	
	<u>\$95,567,514</u>	<u>\$75,423,016</u>
Dettes passives	111,677	24,258
Obligations envers des mandants, au titre d'avances reçues d'agences de divers gouvernements et de certains organismes internationaux	3,266,424	2,506,810
	<u>\$ 3,378,101</u>	<u>\$ 2,531,068</u>

J'ai examiné le bilan et les états financiers de la Corporation et j'ai déjà fait rapport à ce sujet le 20 juin 1963 au Ministre de la Production et de la défense.

L'Auditeur général du Canada

(signature) A. M. HENDERSON

CORPORATION COM

(Établie sous le régime de la Loi s

Bilan au 3

(avec chiffres comp

A C T I F

COMP

1962	1963	
\$ 6,069,506	\$ 4,549,675	Encaisse
2,742,191	2,645,371	Bons du Trésor du Canada, au prix coûtant
186,200	186,200	Obligations du gouvernement du Canada, au pair (marché courant \$172,468)
58,383,398	76,876,884	Avances et paiements provisoires à des fournis- seurs, à compte de commandes reçues de clients
8,041,721	11,309,384	Dettes actives

COMP

142,316	185,945	
2,380,409	3,161,458	Encaisse
8,343	30,698	Avances et paiements provisoires à des fournisseurs
\$ 2,531,068	\$ 3,378,101	Dettes actives

Certifié exact Le contrôleur (signature) G. F. WEVILL

Approuvé Le président (signature) M.-H. LAMOUREUX

Ottawa, le 20 juin 1963

L'honorable C. M. Drury,

Ministre de la Production de défense,

O t t a w a .

Monsieur le Ministre,

J'ai examiné les comptes et les états financiers de la Corporation commerciale canadienne pour l'année financière terminée le 31 mars 1963. Ainsi que l'exige l'article 87 de la Loi sur l'administration financière, je déclare que, à mon avis,

a) la Corporation a tenu les livres de comptabilité appropriés

b) les états financiers de la Corporation

i) ont été préparés sur une base compatible avec celle de l'année précédente et sont conformes aux livres de comptabilité,

ii) dans le cas du bilan, présentent de façon exacte et fidèle la situation de la Corporation pendant l'année financière, et

iii) dans le cas de l'état des recettes et des dépenses, donnent une idée exacte et fidèle des recettes et des dépenses de la Corporation pendant l'année financière, et

c) les opérations de la Corporation qui sont venues à ma connaissance étaient dans les limites de la compétence que lui accordent la Loi sur l'administration financière et toute autre loi applicable à la Corporation.

Veuillez agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

L'auditeur général

(Signature) A. M. HENDERSON

mentés venus du ministère de la Production de défense et de la *Defence Construction (1951) Limited*.

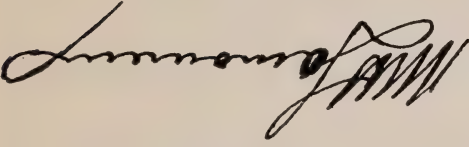
Grâce à l'expérience et à la formation de ces hommes, aux relations étroites qui existent entre elle et le ministère de la Production de défense ainsi qu'à l'expérience qu'elle a acquise depuis 1946 dans l'achat, le financement et l'expédition d'une très grande variété de produits, la Corporation est en mesure de fournir tous les services requis à l'industrie canadienne et aux gouvernements d'autres pays désireux de conclure par son entremise des contrats pour l'achat de produits canadiens.

Personnel

Le 31 mars 1963, la Corporation avait à son service 81 personnes, y compris tout le personnel directeur et administratif du siège social à Ottawa (Canada) et cinq personnes de la succursale de Washington (D.C.). De plus, 21 personnes détachées du ministère de la Production de défense et 10 personnes de la *Defence Construction (1951) Limited* travaillaient à plein temps avec la Corporation.

Le conseil d'administration tient à remercier tous les membres du personnel de leur fidélité au devoir et de leur bon travail pendant l'année. Au cours de la période de réorganisation, il y a eu inévitablement des solutions de continuité dans les habitudes ordinaires de travail qui à certains moments ont imposé un lourd fardeau aux membres du personnel. Tous ont fait preuve d'un esprit de collaboration très consolant. Le conseil d'administration désire aussi exprimer sa vive appréciation des services rendus par le personnel du ministère de la Production de défense, de la *Defence Construction (1951) Limited* et d'autres ministères et organismes du gouvernement.

Au nom des administrateurs,



Le président

M.-H. Lamoureux.

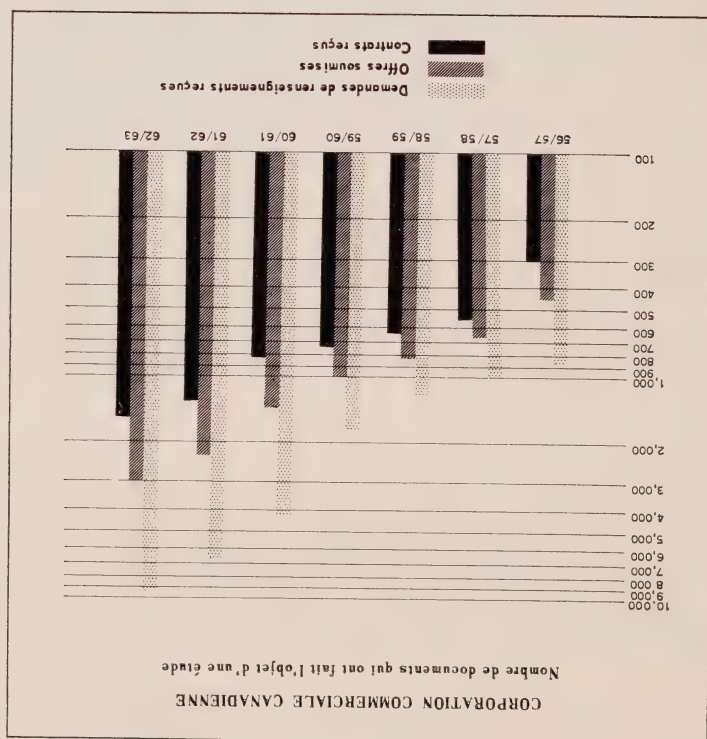
les vacances causées par la démission de M. Finlay Sim, contrôleur-secrétaire du ministère du Commerce, qui est allé occuper le poste de délégué commercial du Canada à Glasgow (Écosse) et de M. Gordon W. Hunter, nommé sous-ministre de la Production de défense.

M. Hunter était membre du Conseil d'administration depuis 1951 et M. Sim depuis 1953. Tous deux ont rendu de très précieux services à la Corporation.

Réorganisation

On a entrepris au cours de l'année de réorganiser et de renforcer le personnel de la Corporation en vue d'améliorer les services rendus relativement aux contrats d'exportation. On a regroupé certains services existants et on en a établi d'autres de façon à former trois nouvelles divisions. Celles-ci sont chargées de recevoir les demandes de produits et de services de gouvernements étrangers, de déterminer les sources possibles d'approvisionnement au Canada et de communiquer les renseignements aux auteurs des demandes, d'organiser et de coordonner, au nom du Bureau de l'aide extérieure, les achats d'articles destinés aux principales entreprises de construction, et de fournir divers services connexes à la Corporation.

Le personnel de ces trois divisions est formé de fonctionnaires qui étaient déjà au service de la Corporation ainsi que d'ingénieurs et d'acheteurs expé-



Deux nouveaux administrateurs, M. Hugh T. Aitken, président de la Société d'assurance des crédits à l'exportation, et M. David B. Mundy, sous-ministre adjoint de la Production de défense, ont été nommés au cours de l'année pour combler

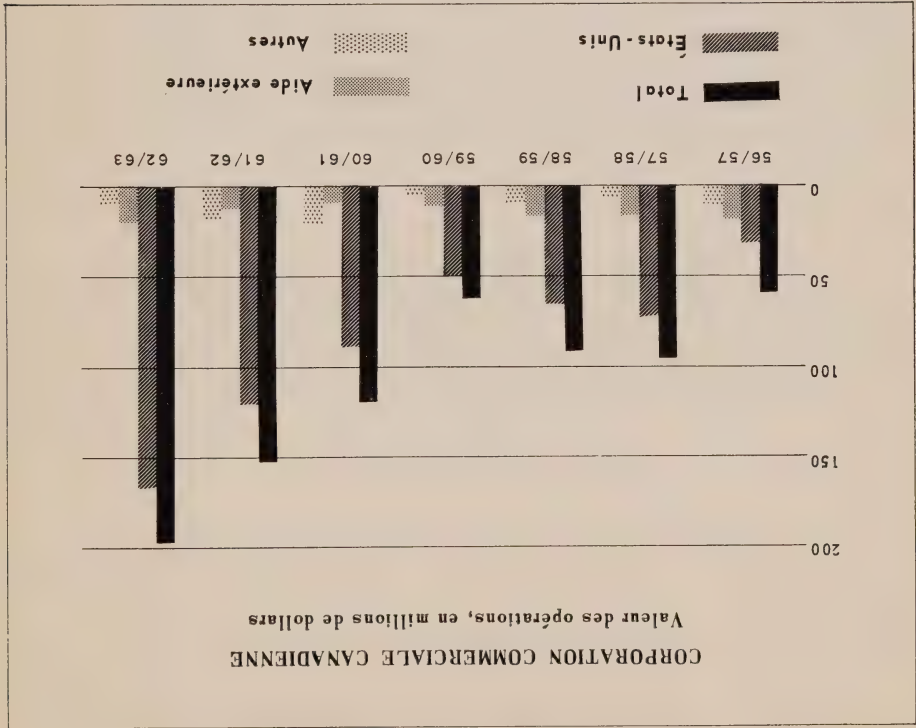
Nouveaux administrateurs

En 1962-1963, l'excédent des dépenses sur les recettes a été de \$235,592 ; après déduction de cette somme le surplus global le 31 mars 1963 s'établissait à \$399,177.

Cette renonciation a aidé les fournisseurs canadiens à accroître leur commerce d'exportation au cours des dernières années, mais a cependant privé la Corporation d'un revenu suffisant pour rencontrer ses dépenses, de sorte que celle-ci a subi des pertes tous les ans depuis 1959-1960. Ces pertes ont été déduites des surplus accumulés les années antérieures.

La Corporation a pour principe de n'exiger aucuns frais d'administration ni honoraires à l'égard de ses achats pour le compte des gouvernements alliés qui rendent des services de même nature au Canada, ou encore qui ont conclu avec notre pays des accords de défense du genre de ceux qui existent dans les cadres de l'OTAN.

Comptes



Le 28 juin 1963.

L'honorable C. M. Drury,

Ministre de la Production de défense,

Ottawa

Monsieur le Ministre,

Au nom des membres du Conseil d'administration et en conformité de l'article 13 (1) de la Loi de 1946 sur la Corporation commerciale canadienne, j'ai l'honneur de vous présenter le rapport annuel de la Corporation commerciale canadienne, ainsi que son bilan et son état des recettes et des dépenses, vérifiés par l'Auditeur général du Canada, pour l'année close le 31 mars 1963.

Valeur des opérations

Au cours de l'année dernière le volume des affaires de la Corporation n'a pas cessé d'augmenter. Celle-ci a reçu quelque 9,500 demandes de renseignements de gouvernements d'autres pays et du Bureau de l'aide extérieure. La valeur globale des fournitures et des services visés par les contrats et les commandes reçues a été de \$194,900,000, comparativement à \$150,387,000 l'année précédente. Les contrats conclus avec des départements et des organismes du gouvernement des Etats-Unis ont représenté \$164,200,000 soit un peu plus de 84 p. 100 du total. Les contrats passés avec les gouvernements d'autres pays se sont établis à \$9,200,000 et les commandes obtenues du Bureau de l'aide extérieure ont atteint \$21,500,000.

Les livraisons effectuées et les travaux terminés au cours de l'année se sont élevés, d'après les factures que la Corporation a reçues des fournisseurs, à \$152,600,000, au regard de \$107,395,000 l'année précédente.

La gamme du matériel et des services en cause témoigne de la grande variété de produits offerts par les fabricants et les fournisseurs canadiens. Elle a compris notamment des appareils électroniques de communication et de navigation, des avions et des moteurs d'avions, des simulateurs de vol, des propulseurs de fusées et un grand nombre d'articles d'approvisionnement d'ordre général. Au nombre des articles reçus par le Bureau de l'aide extérieure, il y a lieu de mentionner du matériel de centrales d'électricité, des usines génératrices et des lignes de transmission. D'autres produits, notamment de la farine, du papier journal et des engrais chimiques, ont aussi été achetés en vertu de ces programmes.

La Corporation a récemment conclu des ententes en vertu desquelles elle se chargera des demandes internationales de soumissions de l'OTAN visant des travaux d'infrastructure. Ainsi toutes les demandes de soumissions de ce genre seront confiées à un organisme central du gouvernement.

Edifice temporaire n° 4, 56 rue Lyon, Ottawa

Société appartenant entièrement au gouvernement du Canada

PRÉSIDENT DU CONSEIL D'ADMINISTRATION

M. M.-H. LAMOURÉUX

M. H. T. AITKEN
Président
Société d'assurance des crédits
à l'exportation
Ministère de la Production de défense
Sous-ministre adjoint

M. D. M. ERSKINE
M. R. G. JOHNSON
Directeur, Direction générale des achats
Président
Ministère de la Production de défense
Défence Construction (1951) Limited

M. D. B. MUNDY

Sous-ministre adjoint
Ministère de la Production de défense

DIRECTEURS

M. M.-H. LAMOURÉUX

Président et directeur général

COL. B. LAKE

M. F. F. WADDELL
Secrétaire et conseiller juridique
Directeur, Division des renseignements
(approvisionnement)

M. J. P. STIRLING

M. G. F. WEVILL
Contrôleur
Directeur, Division des entreprises à l'étranger

M. J. T. TEVLIN

M. D. C. THOM
Adjoint administratif au président
Directeur, Division de l'administration

SUCCURSALE

2450 Massachusetts Ave.

Washington (D.C.)

Rapport Annuel 1962-63



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Government
Publications



(Annual) Report 1963-64

CANADIAN COMMERCIAL CORPORATION

CANADIAN COMMERCIAL CORPORATION

Macdonald Building, 123 Slater Street, Ottawa, Canada

A company wholly owned by the Government of Canada

CHAIRMAN OF THE BOARD

M.-H. LAMOUREUX

DIRECTORS

W. H. HUCK

*Assistant Deputy Minister
Department of Defence Production*

D. B. MUNDY

*Assistant Deputy Minister
Department of Defence Production*

A. G. BLAND

*President
Defence Construction (1951) Limited*

H. T. AITKEN

*President
Export Credits Insurance Corporation*

D. M. ERSKINE

*Director
Regional Purchasing Branch
Department of Defence Production*

R. M. TRITES

*Director
International Programs Branch
Department of Defence Production*

OFFICERS

M.-H. LAMOUREUX

President

F. F. WADDELL

Secretary and Legal Adviser

G. F. WEVILL

Comptroller

CANADIAN COMMERCIAL CORPORATION
OTTAWA, CANADA

THE HONOURABLE C. M. DRURY,

June 26, 1964

Minister of Industry,

Ottawa, Ontario.

SIR :

In accordance with Section 13 (1) of the Canadian Commercial Corporation Act, 1946, I have the honour to submit herewith the Annual Report of the Canadian Commercial Corporation, together with Balance Sheet and Statement of Income and Expenditure, as audited by the Auditor General of Canada, covering the year ended March 31, 1964.

Yours faithfully,

(Sgd.) M.-H. LAMOUREUX

President

FUNCTIONS

Canadian Commercial Corporation was established on May 1, 1946, by the Canadian Commercial Corporation Act as a Crown Corporation, wholly owned by the Government of Canada. The Corporation is responsible to the Minister of Industry.

Its principal purpose is to assist in the development of trade between Canada and other nations by acting on behalf of the Canadian government as the contracting agency when other countries wish to purchase defence or other supplies and services from Canada on a government-to-government basis.

The Corporation is prepared, on request, to quote on price and availability of any Canadian defence product and to provide full contract management services in respect of any procurement made in Canada by another country. Such Canadian government contract management ensures that the country procuring defence supplies in Canada will enjoy the same standards of price, quality and delivery in respect of any such procurement as would the Canadian government were it procuring the supplies on its own behalf in comparable circumstances.

In the course of this business, the Corporation deals with a heavy volume of invitations to bid from U.S. and other NATO and allied countries; sources them appropriately with Canadian firms; submits responsible bids as offers to sell to the governments of the procuring countries; negotiates and executes the resulting government-to-government contracts; procures the supplies from Canadian firms under separate domestic contracts and delivers them to destination.

Another important function of the Corporation is the procurement in Canada of goods, equipment and facilities which the Government of Canada contributes to other nations under the Colombo Plan and other aid programs.

Organization

As reported in the last Annual Report of the Corporation for the year ended March 31, 1963, a reorganization and strengthening of the staff of the Corporation was undertaken to improve the services provided on export contracts.

Since the establishment of the Department of Defence Production in 1951, the Corporation has utilized the experienced staff of the Department to an increasing extent in the procurement of defence and other supplies and in negotiating sales of such supplies to other governments.

The Royal Commission on Government Organization in its Report to His Excellency the Governor General in Council in 1963 noted this close relationship between the Corporation and the Department. The Royal Commission observed that the operations of the Corporation were in all material respects integral to those of the Department and that no purpose was served by the Corporation maintaining a separate management and staff. The Commission therefore recommended that the legal entity of the Corporation should be retained but that its management and staff should be provided by the Department of Defence Production. During the year ended March 31, 1964, this recommendation was implemented by the Government of Canada and a general transfer of personnel from the Corporation to the payroll of the Department was arranged.

While the Corporation has retained its corporate identity, the resulting complete integration with the Department has made available to the Corporation the fully co-ordinated support of the Department in the whole area of the Corporation's responsibilities, commencing with the stimulation of defence export opportunities, proceeding through the negotiation and management of defence export contracts and ending with the ultimate delivery of the supplies to the purchasing governments.

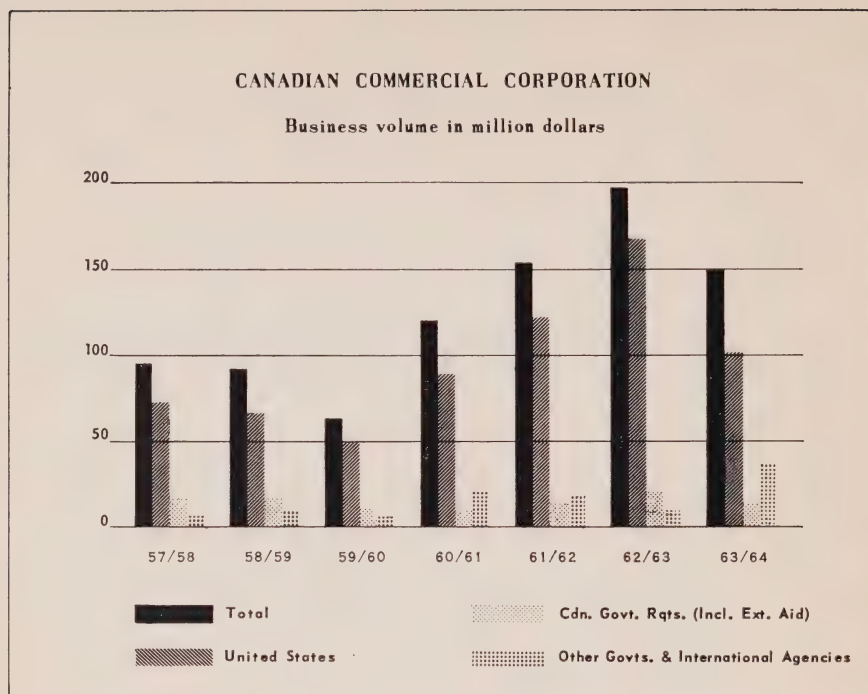
Business Volume

During the past year, the total dollar volume of business received from the United States, other foreign governments, international agencies and departments of the Government of Canada was \$149.3 millions. This represents a decrease of \$45.6 millions as compared with the volume of business received from the same sources during the previous year.

The decrease was mainly due to the fact that no further sales of Caribou aircraft were made to the Government of the United States and that individual orders against the United States Government's overall commitment of \$150 millions for the F-104G (MAP) aircraft program were less than in the previous year. There was also a decrease in the value of purchases made by the Corporation on behalf of the External Aid Office as, in the previous year, the Corporation had purchased an unusually large quantity of major equipment for Colombo Plan hydro electric and other projects. However, the decreases mentioned above were partially offset by increased overseas exports, particularly Caribou aircraft to the governments of Australia and India.

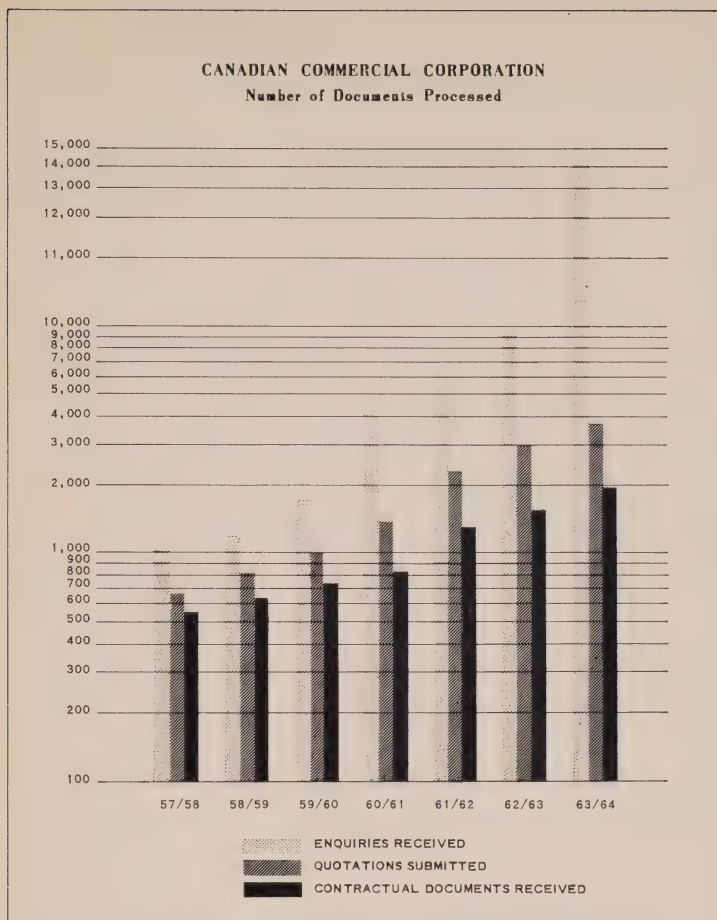
The following table shows the respective values of 1962/63 and 1963/64 business received by the Corporation :

	\$ Millions			
	62/63	63/64	Incr.	Decr.
U.S. Government Contracts	164.20	101.25		62.95
Other Governments and International Agencies Contracts	9.20	35.28	26.08	
Canadian Government Requirements (including External Aid)	21.50	12.78		8.72
	194.90	149.31	26.08	71.67
		Net decrease		45.59



In contrast to the decreased dollar volume, the number of individual export opportunities as represented by enquiries from other governments increased sharply and was accompanied by a corresponding increase in the response of Canadian industry to such enquiries. These factors greatly increased the workload of the management and staff of the Corporation. From all sources the Corporation received some 15,000 enquiries. Approximately 4,000 quotations arising from these enquiries were submitted to prospective purchasers. These quotations resulted in the receipt by the Corporation of approximately 2,000 orders.

Expenditures made by the Corporation during the year ended March 31, 1964, as represented by suppliers' invoices received, totalled \$217.9 millions as compared with \$152.6 millions in the previous year. These figures reflect the normal production lead time in respect of the high level of contracting activity which occurred during previous fiscal years.



Accounts

In the interests of facilitating the export of defence supplies, it is the policy of the Corporation generally not to add any administrative surcharge or fee to prices quoted by the Corporation to other governments. While this policy is beneficial to both the Canadian suppliers and the purchasing governments, it deprives the Corporation of income sufficient to meet its expenses, and the year ended 31st March, 1964, closed with a loss of \$302,994. This deficiency has been deducted from accumulated surplus earned in previous years, leaving a balance of surplus at March 31, 1964, of \$96,183. Effective on April 1, 1964, the drain upon the Corporation's surplus ceased following the transfer of the Corporation's personnel to the payroll of the Department and the assumption by the Department of the administrative expenses of the Corporation.

Hitherto the Corporation Balance Sheet has been presented as a two-section statement, (a) General, and (b) Agency. For some time past, Corporation

transactions in the Agency class have been so few in number and value as to render unwarranted their separate Balance Sheet presentation. They have therefore been merged with the General class of assets and liabilities in the Corporation's Balance Sheet as at 31st March, 1964, presented herewith.

The said Balance Sheet of the Corporation together with Statement of Income and Expenses for the year ended 31st March, 1964, duly certified and approved, with a report by the Auditor General, are set out in the following pages.

Minister of Industry,

Ottawa.

SIR :

I have examined the accounts and financial statements of Canadian Commercial Corporation for the year ended March 31, 1964. In compliance with the requirements of section 87 of the Financial Administration Act I report that, in my opinion :

- (a) proper books of account have been kept by the Corporation;
- (b) the financial statements of the Corporation
 - (i) were prepared on a basis consistent with that of the preceding year and are in agreement with the books of account,
 - (ii) in the case of the balance sheet, give a true and fair view of the state of the Corporation's affairs as at the end of the financial year, and
 - (iii) in the case of the statement of income and expense, give a true and fair view of the income and expense of the Corporation for the financial year; and
- (c) the transactions of the Corporation that have come under my notice have been within the powers of the Corporation under the Financial Administration Act and any other Act applicable to the Corporation.

Yours faithfully,

(Sgd.) A. M. HENDERSON
Auditor General of Canada

CANADIAN COMMERCE

(Established under the Canadian Commercial Corporation Act)

Balance Sheet

(with comparative figures for 1963)

ASSETS

	1964	1963
Cash	\$ 3,802,891	\$ 4,735,620
Government of Canada Treasury Bills, at cost	897,394	2,645,371
Government of Canada Bonds, at par (market value \$168,860 at 31st March, 1964)	186,200	186,200
Advances and progress payments to suppliers	86,738,413	54,998,471
Accounts receivable	10,443,197	11,340,082
	<hr/>	<hr/>
	\$102,068,095	\$73,905,744
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Certified correct

(Sgd.) G. F. Wevill, *Comptroller*

Approved

(Sgd.) M.-H. Lamoureux, *President*

IAL CORPORATION

Commercial Corporation Act)

31st March, 1964

at 31st March, 1963)

LIABILITIES

	1964	1963
Accounts payable	\$ 11,477,459	\$11,072,389
Advance payments by other governments and agencies	84,838,680	52,785,999
Reserve for U.S. exchange	155,773	148,179
Capital and Surplus		
Government of Canada advance for working capital provided under Sec- tion 8 of the Canadian Commercial Corporation Act	\$5,500,000	9,500,000
Surplus, per statement attached ..	96,183	399,177
	5,596,183	
	\$102,068,095	\$73,905,744

I have examined the above Balance Sheet and the related Statement of Income and Expense and have reported thereon under date of June 25, 1964, to the Minister of Industry.

(Sgd.) A. M. HENDERSON
Auditor General of Canada

CANADIAN COMMERCIAL CORPORATION

Statement of Income and Expense for the year ended March 31, 1964

(with comparative figures for the year ended March 31, 1963)

	1964	1963
Income		
Purchase surcharge from various governments (including Canada) and international agencies	\$145,006	\$127,079
Interest earned	132,678	119,055
Exchange gain	188	8,675
Other income	109	878
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	\$277,981	\$255,687
Expense		
Salaries and living allowances (including executive officers' salaries \$50,567)	443,658	380,901
Employees' welfare plans	30,108	20,324
Telephone, telegraph and postage	37,594	24,236
Printing, stationery and office supplies	29,185	8,937
Rent and improvements to leased premises	15,722	19,730
Travel	15,140	18,218
Office furniture and equipment	7,493	17,518
Other administrative expenses	2,075	1,415
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	580,975	491,279
Net loss	<hr/> <hr/> \$302,994	<hr/> <hr/> \$235,592

Statement of Surplus for the year ended March 31, 1964

Balance at beginning of year	\$399,177
Less: Net loss for the year, per Statement of Income and Expense	302,994
	<hr/>
Balance at end of year	\$ 96,183
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CORPORATION COMMERCIALE CANADIENNE

Etat des recettes et des dépenses pour l'année terminée le 31 mars 1964

(avec chiffres comparatifs pour l'année terminée le 31 mars 1963)

Recettes		1964	1963
Excédent du prix d'achat obtenu de divers gouvernements (y compris celui du Canada) et d'organismes internationaux	Interêts gagnés	132,678	119,055
	Recettes découlant du cours des devises	188	8,675
	Autres recettes	109	878
Dépenses	Traitements et allocations de subsistance (y compris la rémunération des fonctionnaires administratifs, \$50,567)	443,658	380,901
	Régime de bien-être des employés	30,108	20,324
	Téléphone, télégrammes et affranchissement	37,594	24,236
	Impressions, papeterie et fournitures de bureau	29,185	8,937
	Loyers et amélioration de logements loués	15,722	19,730
	Voyages	15,140	18,218
	Mobilier et matériel de bureau	7,493	17,518
	Autres dépenses administratives	2,075	1,415
	Déficit net	\$302,994	\$235,592

Etat de surplus pour l'année close le 31 mars 1964

Solde au début de l'année \$399,177

Moins : Déficit net de l'année, indiqué à l'état des recettes et des dépenses 302,994

Solde à la fin de l'année \$ 96,183

P A S S I F

	1964	1963
Dettes passives	\$ 11,477,459	\$11,072,389
Palements anticipés par d'autres gouvernements		
et institutions	84,838,680	52,785,999
Réserve pour change des Etats-Unis	155,773	148,179
Capital et surplus :		

Gouvernement du Canada avance de capi-
taux d'exploitation sous le régime de
l'article 8 de la Loi sur la Corporation

commerciale canadienne ----- \$5,500,000

Surplus, conformément à l'état ci-

joint -----

96,183

5,596,183

399,177

\$102,068,095

\$73,905,744

J'ai examiné le bilan et les états financiers de la Corporation et j'ai déjà fait

rapport à ce sujet le 25 juin 1964 au Ministre de l'Industrie.

L'Auditeur général du Canada

(signature) A. M. HENDERSON

CORPORATION COMM

(Etablie sous le régime de la Loi s

Bilan au 3

(avec chiffres comparati

A C T I F

1964	1963
\$ 3,802,891	\$ 4,735,620
Encaisse	

897,394	2,645,371
Bons du Trésor du Canada, au prix coûtant	

186,200	186,200
Obligations du gouvernement du Canada, au pair	
(marché courant \$168,860 au 31 mars 1964)	
86,738,413	54,998,471
Avances et paiements provisionnels à des four-	
nisseurs	

10,443,197	11,340,082
Dettes actives	

Certifié exact	Le contrôleur	(signature) G. F. WEVILL	Approuvé	Le président	(signature) M.-H. LAMOURÉUX
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\$102,068,095	\$73,905,744
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Ottawa, le 25 juin 1964

L'HONORABLE C. M. DRURY,

Ministre de l'Industrie,

Ottawa.

MONSIEUR LE MINISTRE,

J'ai examiné les comptes et les états financiers de la Corporation commerciale canadienne pour l'année financière terminée le 31 mars 1964. Ainsi que l'exige l'article 87 de la Loi sur l'administration financière, je déclare que, à mon avis,

a) la Corporation a tenu les livres de comptabilité appropriés,

b) les états financiers de la Corporation

i) ont été préparés sur une base compatible avec celle de l'année précédente et sont conformes aux livres de comptabilité,

ii) dans le cas du bilan, présentent de façon exacte et fidèle la situation de la Corporation pendant l'année financière, et

iii) dans le cas de l'état des recettes et des dépenses, donnent une idée exacte et fidèle des recettes et des dépenses de la Corporation pendant l'année financière, et

c) les opérations de la Corporation qui sont venues à ma connaissance étaient dans les limites de la compétence que lui accordent la Loi sur l'administration financière et toute autre loi applicable à la Corporation.

Je vous prie d'agréer, monsieur le Ministre, l'expression de mes sentiments dévoués.

L'auditeur général

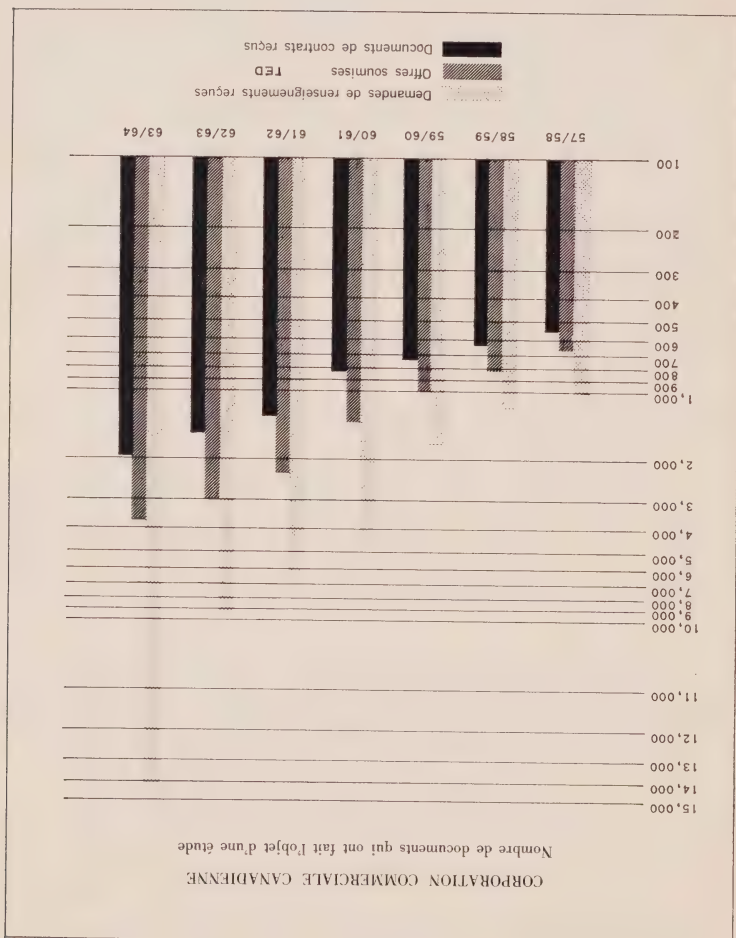
(Signature) A. M. HENDERSON

Jusqu'à présent le bilan de la Corporation a été présenté en deux sections, *a)* Compte général, et *b)* Compte d'agence. Depuis quelque temps, les transactions de la Corporation au compte d'agence sont si peu nombreuses et si modiques qu'il n'est plus nécessaire de les présenter en une section distincte. Elles ont donc été incorporées à la catégorie générale d'actif et de passif du bilan de la Corporation au 31 mars 1964, annexé au présent rapport.

Ledit bilan de la Corporation ainsi que l'état des recettes et des dépenses pour l'année terminée le 31 mars 1964, dûment certifiés et approuvés, accompagnés d'un rapport de l'Auditeur général, sont reproduits aux pages qui suivent.

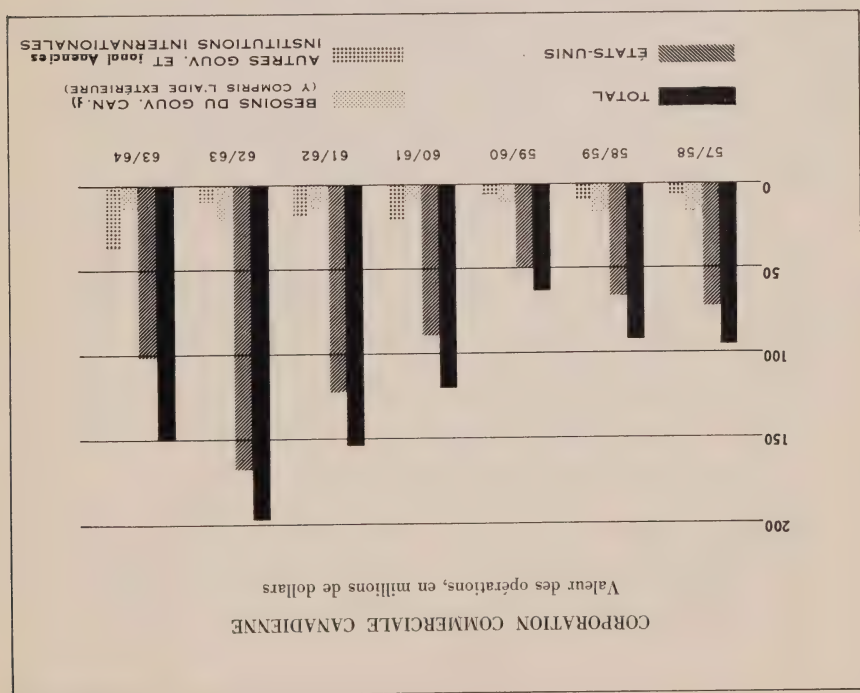
Comptes

En vue de faciliter l'exportation de fournitures de défense, la Corporation a pour principe général de ne pas ajouter de frais d'administration ni d'honoraires aux prix qu'elle offre aux autres gouvernements. Cette règle, avantageuse pour les fournisseurs canadiens et les gouvernements acheteurs, a cependant l'inconvénient de priver la Corporation du revenu suffisant pour compenser ses dépenses, et l'exercice terminé le 31 mars 1964 s'est soldé par un déficit de \$302,994. Ces pertes ont été déduites des surplus accumulés les années antérieures; le 31 mars 1964 le solde de ce surplus était de \$96,183. A compter du 1^{er} avril 1964, l'amenuisement des surplus de la Corporation a cessé par suite du transfert du personnel de la Corporation au registre de paie du Ministère et de la prise en charge par le Ministère des dépenses d'administration de la Corporation.



Les dépenses de la Corporation au cours de l'année finissant le 31 mars 1964, déterminées par les factures des fournisseurs que la Corporation a reçues, ont atteint 217.9 millions de dollars au regard de 152.6 millions l'année précédente. Ces chiffres traduisent le délai normal de la production par suite du grand nombre de contrats passés au cours des années financières précédentes.

Par contraste avec la diminution du montant des affaires, le nombre d'occasions individuelles d'exportation, déterminé par les demandes reçues des autres gouvernements, a augmenté de façon marquée et a été accompagné d'une augmentation correspondante de la réponse de l'industrie canadienne à ces demandes. Ces facteurs ont fait augmenter considérablement la charge de travail de la direction et du personnel de la Corporation. La Corporation a reçu quelque 15,000 demandes de toutes sources. Elle a fourni à des acheteurs possibles environ 4,000 offres de prix en réponse à ces demandes. Par suite de ces offres de prix la Corporation a reçu environ 2,000 commandes.



Commission royale a signalé que l'activité de la Corporation se confondait, dans tous les aspects matériels, avec celle du Ministère et qu'il n'y avait aucune raison pour que la Corporation maintienne une direction et un personnel distincts. Elle a donc recommandé que la Corporation garde son statut juridique, mais que le ministère de la Production de défense lui fournisse sa direction et son personnel. Au cours de l'année finissant le 31 mars 1964, le gouvernement du Canada a mis en œuvre cette recommandation et a pris des dispositions pour assurer le transfert général du personnel de la Corporation au registre de paie du Ministère.

Bien que la Corporation ait gardé sa raison sociale, son intégration complète au Ministère lui a fourni l'appui entièrement coordonné du Ministère dans toutes ses fonctions, à commencer par la stimulation des occasions d'exportation de matériel de défense, jusqu'à la livraison ultime des approvisionnements aux gouvernements acheteurs, en passant par la négociation et l'administration des contrats d'exportation de matériel de défense.

Valeur des opérations

Au cours de l'année écoulée, le volume global des affaires obtenues des Etats-Unis, d'autres gouvernements étrangers, d'institutions internationales, et de ministères du gouvernement du Canada a été de 149.3 millions de dollars, soit 45.6 millions de moins que le volume obtenu des mêmes sources l'année précédente.

La diminution est surtout attribuable au fait que le gouvernement des Etats-Unis n'a pas acheté d'autres avions Caribou et que les commandes individuelles au titre de la commande générale ferme de 150 millions de dollars du gouvernement des Etats-Unis à l'égard du programme d'avions F-104G (MAP) ont été moins nombreuses que l'année précédente. La valeur des achats de la Corporation pour le compte du Bureau de l'Aide extérieure a aussi diminué car, l'année précédente, la Corporation avait acheté une quantité plus considérable que d'habitude de matériel lourd pour les entreprises hydro-électriques et autres du Plan de Colombo. Toutefois, les baisses mentionnées plus haut ont été en partie compensées par une augmentation des exportations outre-mer, notamment d'avions Caribou aux gouvernements de l'Australie et de l'Inde.

Le tableau ci-après indique les valeurs respectives des ventes que la Corporation a réalisées en 1962-1963 et en 1963-1964 :

En millions de dollars

	1962-1963	1963-1964	Augmen- tation	Diminution
Contrats du gouvernement des Etats-Unis	164.20	101.25		62.95
Contrats d'autres gouvernements et d'institutions internationales	9.20	35.28	26.08	
Besoins du gouvernement du Canada (y compris l'Aide extérieure)	21.50	12.78		8.72
	194.90	149.31	26.08	71.67
				Diminution nette 45.59

La Corporation commerciale canadienne a été établie le 1^{er} mai 1946, par la Loi sur la Corporation commerciale canadienne, comme société de la Couronne appartenant entièrement au gouvernement du Canada. La Corporation rend compte de son administration au ministre de l'Industrie.

Son rôle principal est d'aider à l'expansion du commerce entre le Canada et d'autres nations en servant d'organisme contractant au gouvernement du Canada lorsque d'autres pays désirent acheter du Canada des approvisionnement de défense ou autres et des services en traitant de gouvernement à gouvernement.

La Corporation est disposée à donner, sur demande, des prix et des renseignements sur la disponibilité de tout produit canadien de défense et à fournir des services complets d'administration de contrats à l'égard de tout achat fait au Canada par un autre pays. Une telle administration de contrats de la part du gouvernement du Canada assure au pays qui achète des approvisionnement de défense au Canada les mêmes prix, la même qualité et les mêmes délais de livraison que ceux dont jouirait le gouvernement du Canada s'il achetait les approvisionnements en son propre nom dans des circonstances semblables.

Dans la conduite de ces affaires, la Corporation s'occupe d'un fort volume de demandes de soumissions provenant des États-Unis, d'autres pays de l'OTAN et de pays alliés, les envoie aux firmes canadiennes appropriées, présente des offres de vente autorisées aux gouvernements des pays acheteurs, négocie et exécute les contrats entre gouvernements qui en résultent, achète les approvisionnements de sociétés canadiennes en vertu de contrats individuels et les livre à leur destination.

Une autre importante fonction de la Corporation consiste en l'achat au Canada des biens, du matériel et des installations que le gouvernement du Canada fournit à d'autres nations sous le régime du Plan de Colombo et d'autres programmes d'aide.

Organisation

Comme l'indiquait le rapport annuel de la Corporation pour l'année se terminant le 31 mars 1963, on a entrepris de réorganiser et de renforcer le personnel de la Corporation afin d'améliorer les services rendus relativement aux contrats d'exportation.

Depuis la création du ministère de la Production de défense en 1951, la Corporation a eu recours aux services du personnel d'expérience du Ministère dans une mesure toujours plus grande pour l'achat de fournitures de défense et autres et pour les négociations relatives à la vente de ces approvisionnements aux autres gouvernements.

La Commission royale d'enquête sur l'organisation du gouvernement, dans son rapport à Son Excellence le Gouverneur général en conseil en 1963, a fait mention de la relation étroite qui existe entre la Corporation et le Ministère. La

CORPORATION COMMERCIALE CANADIENNE
(OTTAWA (CANADA))

Le 26 juin 1964

L'HONORABLE C. M. DRURY,
Ministre de l'Industrie,

Ottawa (Ontario).

MONSIEUR LE MINISTRE,

En conformité de l'article 13 (1) de la Loi de 1946 sur la Corporation commerciale canadienne, j'ai l'honneur de vous présenter le rapport annuel de la Corporation commerciale canadienne, ainsi que son bilan et son état des recettes et des dépenses, vérifiés par l'Auditeur général du Canada, pour l'année close le 31 mars 1964.

Veillez agréer, monsieur le Ministre, mes bien sincères salutations.

Le président

(Signature) M.-H. LAMOUREUX

Édifice Macdonald, 123, rue Slater, Ottawa (Canada)
Société appartenant entièrement au gouvernement du Canada

PRÉSIDENT DU CONSEIL D'ADMINISTRATION

M. M.-H. LAMOUREUX

ADMINISTRATEURS

M. W. H. HUCK

Sous-ministre adjoint

Ministère de la Production de défense

Sous-ministre adjoint

M. D. B. MUNDY

Ministère de la Production de défense

M. A. G. BLAND

Président

Defence Construction (1951) Limited

Société d'assurance des crédits à l'exportation

Président

M. H. T. AITKEN

M. D. M. ERSKINE

Directeur, Direction des achats régionaux

Directeur

Ministère de la Production de défense

Direction des programmes internationaux

Ministère de la Production de défense

DIRECTEURS

M. M.-H. LAMOUREUX

Président

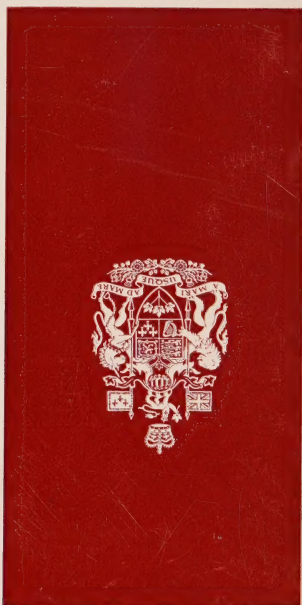
M. F. F. WADDELL

M. G. F. WEVILL

Secrétaire et conseiller juridique

Contrôleur

Rapport Annuel 1963-64



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